

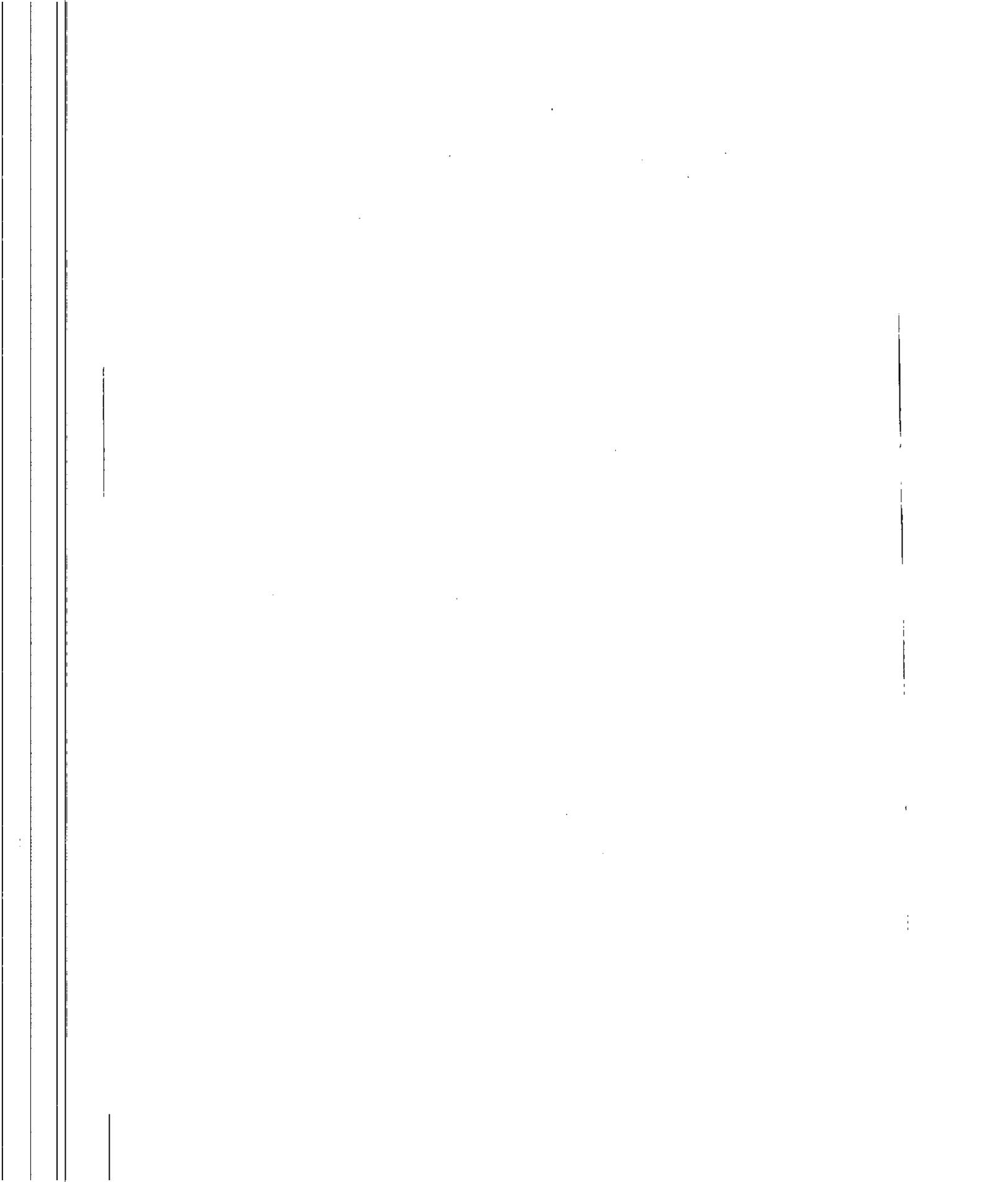
SECTION VI
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**Report of the General Council and its Subsidiary Bodies
(STACFAD and STACFAC), 20th Annual Meeting
14-18 September 1998
Lisbon, Portugal**

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PART I

Report of the General Council Meeting

(GC Doc. 98/7)

20th Annual Meeting, 14-18 September 1998

Lisbon, Portugal

1. Opening of the Meeting (items 1-5 of the Agenda)

- 1.1 The meeting was opened by the Chairman of the General Council, A. V. Rodin (Russia) at 10:20 a.m. on 15 September 1998.
- 1.2 Representatives from the following fifteen (15) Contracting Parties were present: Canada, Cuba, Denmark (in respect of Faroe Islands and Greenland), Estonia, European Union (EU), France (in respect of St. Pierre et Miquelon), Iceland, Japan, Republic of Korea, Latvia, Lithuania, Norway, Poland, Russia and the United States of America (USA). (Annex 1)
- 1.3 The Chairman welcomed the Delegates to the 20th Annual Meeting and expressed his opinion on traditional cooperation among Contracting Parties in the name of NAFO goals.

He emphasized that the current EXPO '98 of the Year of the Ocean in Lisbon and NAFO work are very closely related important events. He hoped that the good NAFO tradition of cooperation will prevail during the coming days of this Annual Meeting. Mr. Rodin expressed his gratitude to the Government of Portugal for inviting this Annual Meeting to Lisbon.
- 1.4 The distinguished guests on behalf of the Government of Portugal, the Minister of Agriculture, Rural Development and Fisheries, Mr. Gomes Da Silva and Secretary of State on Fisheries, Mr. Marselos Vas Consalos, were present at the opening session. Minister Da Silva addressed the meeting with his welcome speech (Annex 2). The delegates met the welcome speech by the Minister with applause.
- 1.5 The Representatives from the European Union, Canada, France (in respect of St. Pierre et Miquelon), Russia and the United States addressed their opening speeches to the Meeting. (Annexes 3-7)
- 1.6 The meeting appointed the Executive Secretary as Rapporteur.
- 1.7 The provisional Agenda was adopted without any additional amendment. (Annex 8)
- 1.8 On presentation by the Chairman, the meeting acknowledged the presence of observers from two (2) international organizations: from NAMMCO, the delegate of Iceland, Mr. K. Skarphedinsson; and from ICES, Mr. H.-P. Cornus (EU).
- 1.9 For "Publicity", item 5, it was decided to deal with this as in previous years, and that no statements would be made to the media until after the conclusion of the meeting when a

press release was prepared by the Executive Secretary in consultation with the Chairmen of NAFO constituent bodies and issued at the closing session on 18 September 1998.

2. Supervision and Coordination of the Organizational, Administrative and Other Internal Affairs (items 6-9 of the Agenda)

- 2.1 The Chairman noted that the membership of the General Council is presently 17 Contracting Parties, and the Fisheries Commission 15 Contracting Parties, excluding Bulgaria and Romania. These two Contracting Parties have not participated in NAFO and have not paid their contribution dues for many years: Romania from 1983 and Bulgaria from 1992. The total unpaid debt to NAFO by those Parties totals \$350,000 Cdn in 1998.

Pursuant to the Resolution (GC Doc. 97/7) adopted at the 19th Annual Meeting, the Contracting Parties reported on their contacts with the Governments of Bulgaria and Romania. There was not any positive information on the intention of the Government of Bulgaria regarding their participation in NAFO and/or repayment of the outstanding debts. The Government of Romania, in a letter dated 5 December 1997, indicated that it is interested in maintaining its membership in NAFO and indicated that it might pay the debt it owes to NAFO. The meeting **decided** to continue the contacts with Bulgaria and Romania during 1999 and assess the situation at the 21st Annual Meeting in September 1999. The Executive Secretary will investigate the practice of other international bodies to deal with similar situations and report his findings to the General Council.

- 2.2 Under item 7, "Report of the Working Group on Transparency in NAFO Activities and Decisions", the Working Group Chairman, Dr. D. Swanson (USA) presented its Report (GC Doc. 98/3) to the meeting. He noted that the Working Group discussed a broad range of issues on participation of observers of intergovernmental and non-governmental organizations in NAFO meetings, and the ideas regarding NAFO's interaction with the public (the press, media, publications, etc.). At this stage there were no concrete recommendations to the General Council on the noted issue, and the Working Group asked the General Council to authorize its continuation in 1999.

The Delegations exchanged views and the final agreement was to continue the Working Group discussions in 1999 (Annex 11, Working Group Meetings in 1999). The Working Group delegates were instructed to make their best effort to conclude this issue at the 1999 Annual Meeting. The terms of reference would be the same as agreed at the 19th Annual Meeting in 1997.

- 2.3 Item 8 of the Agenda, "Administrative Report", was referred to STACFAD, which reviewed the Report in detail during its sessions and recommended the Report for adoption by the General Council. At the closing session of the General Council, 18 September 1998, the Administrative Report was **adopted** by the meeting.
- 2.4 Under item 9 of the Agenda, "Place of the 22nd Annual Meeting in the Year 2000", the Chairman brought the Contracting Parties' attention to the invitation from the United States Government (letter signed by Mr. R. A. Schmitten, Assistant Administrator for Fisheries, NOAA) to host the meeting in the United States. This proposal was **adopted** by the meeting. The Chairman, on behalf of NAFO, thanked the USA Government and USA Delegation for the invitation.

3. Coordination of External Relations (items 10-11 of the Agenda)

- 3.1 Under item 10, "Communication with the United Nations", the Chairman informed the meeting that the Executive Secretary has communicated all required information to requests from the UN and according to the instructions from the General Council (NAFO GF/98-325 of 04.06.98 and GF/98-299 of 21.05.98).
- 3.2 Under item 11 of Agenda, "NAFO Participation at other International Organizations", the Chairman noted that the NAFO observer, H.-P. Cornus (EU) took part in ICES proceedings and a delegate of Norway attended the NAMMCO 1998 meeting. H.-P. Cornus reported to the NAFO Scientific Council, and the report from Norway was distributed to the delegates at the current meeting (GC Doc. 98/6).

For the future participation by NAFO observers, the General Council **decided** to delegate Dr. D. Swanson (USA) to the FAO meeting on sharks and other issues, in Rome, Italy, 26-28 October 1998, and Mr. P. Gullestad (Norway) and the Executive Secretary, at the Meeting of FAO and Regional Fishery Bodies, in Rome, Italy, 11-12 February 1999. This meeting will precede the FAO Committee on Fisheries meeting, which would discuss international fisheries management issues.

4. Fishing Activities in the Regulatory Area Adverse to the Objectives of the NAFO Convention (items 12-15 of the Agenda)

- 4.1 Under item 12 of the Agenda, "Consideration of Non-Contracting Parties Activities in the NAFO Regulatory Area", the Chairman asked the Meeting to address any relevant issue or additional task for STACFAC at this meeting. There were no comments from the Delegates on this item. The Executive Secretary brought the Delegates' attention to the Report (GC Doc. 98/1) on the NAFO Compliance Scheme (GC Doc. 97/6) asking Contracting Parties to participate in providing their data to such reports in the future.
- 4.2 The Chairman of STACFAC, Dr. J.-P. Plé (USA), informed that STACFAC met in advance (14 September) of the General Council opening session to discuss outstanding issues including a proposal regarding transshipments at sea and inspection of non-Contracting Party vessels fishing in the NAFO Regulatory Area. At the request of STACFAC/General Council, this proposal was forwarded to STACTIC/Fisheries Commission for consideration and incorporation in the NAFO Conservation and Enforcement Measures (see Fisheries Commission Report paragraph 3.9).
- 4.3 The item 13, "STACFAC Report", was presented to the meeting by the STACFAC Chairman, Dr. Plé (USA), underlining the following information and recommendations to the General Council (Part III of this Report):
- a) There was a notable decrease in the fishing activity by Non-Contracting Party vessels in the NAFO Regulatory Area, with four vessels, all from Sierra Leone, observed during 1998 (estimated catch of 350 mt against 1000 mt in 1997). The general view was that both the Scheme to Promote Compliance by Non-Contracting Party Vessels with the Conservation and Enforcement Measures Established by NAFO and unfavourable fishing conditions contributed to the observed decrease.
 - b) During 1997/98 NAFO diplomatic demarches were delivered by Canada to the Governments of Honduras and Panama, and by USA, to the Governments of Belize and Sierra Leone. No replies have been received to-date from those countries.

STACFAC recommended the following actions and measures to the General Council:

- To again send the NAFO diplomatic demarches to the Governments of Belize, Honduras, Panama and Sierra Leone (Part III, Annexes 3-6).
- To seek closer inter-regional cooperation with other regional fishing organizations with the aim to share information and to promote respect for relevant measures by Non-Contracting Party vessels.
- To bring to the attention of all Contracting Parties the names of four (4) Non-Contracting Party vessels observed fishing in the Regulatory Area during 1998 and inform their national port authorities. The vessels are: the "Austral", "High Sierra", Porto Santo" and the "Santa Princesa" – all from Sierra Leone.

- 4.4 The General Council **adopted** the STACFAC Report and its recommendations. The proposal on transshipments and inspections concerning Non-Contracting Party vessels was adopted by the Fisheries Commission (see Fisheries Commission Report, paragraph 3.9).

The General Council **noted** that Dr. J.-P. Plé (USA) was re-elected as STACFAC chairman for a second term of two years and Mr. D. Silvestre (France)(in respect of St. Pierre et Miquelon) was elected Vice-Chairman.

- 4.5 Item 14, "Report of the Working Group on Dispute Settlement Procedures" (GC Doc. 98/4), was presented by the Chairman of the Working Group, Mr. Stein Owe (Norway). He also informed that the Working Group met on 14 September 1998 prior to the opening of the session of the General Council and, on the basis of a paper prepared by the Chairman, exchanged views on a number of questions (Part IV of this Report). In view of the importance and complexity of this issue, further scrutiny and discussions were considered to be necessary. The Chairman of the Working Group suggested that there might be a need for more than one intersessional meeting if the Working Group were to come to a successful conclusion in 1999.

The General Council **decided** to authorize the Working Group to continue its work and meet intersessionally in 1999 (Annex 11, Working Group Meetings in 1999).

- 4.6 Item 15, "Report of the Working Group on Allocation of Fishing Rights and Chartering of Vessels" (GC Doc. 98/2), was delivered by the Chairman of the Working Group, Mr. H. Koster (EU). He noted a number of different opinions on those issues and advised that the guidelines for any further discussions have been developed by the Working Group. The Working Group asked the Council to authorize that it continue its work during 1999.

At the USA Representative's request, the Chairman of the General Council clarified that the pending item will be dealt with only by the General Council (without additional consideration by the Fisheries Commission).

The Representative of France (in respect of St. Pierre et Miquelon) urged the meeting to find as soon as possible a solution on the chartering of vessels and brought attention to its GC Working Paper 98/6 regarding guidelines for chartering.

The meeting agreed to follow the agreement of last year's General Council meeting that no Party should charter fishing vessels to fish in the NAFO Regulatory Area until final resolution of this matter by the General Council.

The General Council **decided** that the Working Group should meet intersessionally (Annex 11, Working Group Meetings in 1999) and consider the GC Working Paper 98/6 (Annex 9) for reference purpose at the Working Group. The USA Representative proposed to host the Working Group in the USA and this invitation was **accepted**.

The meeting **agreed** that the Working Group should make its best effort to recommend a resolution on this issue to the General Council at the 21st Annual Meeting in September 1999.

5. Finance (items 16-17 of the Agenda)

- 5.1 Items 8, 16 and 17 were referred to STACFAD for discussion.
- 5.2 The acting Chairman of STACFAD, Mr. A. Thomson (EU), reported the following information and recommendations to the General Council (full STACFAD proceedings are in Part II of this Report):
- a) Auditors' Report circulated to Contracting Parties in March 1998 and Administrative Report (administration and financial statements for 1998-GC Doc. 98/5) were recommended for adoption;
 - b) The participation of the NAFO Secretariat in the Pension Society Meeting (La Jolla, USA, May 1998) was approved by STACFAD with a special note that the new arrangements for administration of NAFO pension plans will reduce NAFO expenses by \$4,300 Cdn.;
 - c) The major budgetary items of the NAFO Secretariat were agreed as follows:
 - the budget for 1999 to be adopted in the amount of \$1,092,000 Cdn.;
 - the Accumulated Surplus Account be maintained at a level not less than \$75,000 Cdn.;
 - the outstanding contributions from Bulgaria and Romania should be written-off (and excluded from the Accumulated Surplus Account estimates).
 - d) For the automation of the hail system at the NAFO Headquarters, \$35,000 Cdn. shall be allocated to the 1999 budget.
 - e) On the term of the Executive Secretary's office, STACFAD recommended to renew the contract of the present Executive Secretary and further review the matter at the General Council.
 - f) The dates of the next Annual Meetings were recommended as follows:

1999	-	Scientific Council	-	08-17 September
	-	General Council	-	13-17 September
	-	Fisheries Commission	-	13-17 September

2000	-	Scientific Council	-	13-22 September
	-	General Council	-	18-22 September
	-	Fisheries Commission	-	18-22 September
2001	-	Scientific Council	-	12-21 September
	-	General Council	-	17-21 September
	-	Fisheries Commission	-	17-21 September

- 5.3 The site of the 1999 Annual Meeting will be in Halifax Regional Municipality, Nova Scotia, Canada.

The site of the 2000 Annual Meeting will be in Boston, Massachusetts, USA.

Considering the site of the 2001 Annual Meeting, the Chairman of the General Council noted that it was first scheduled in Halifax, N.S. area but there was information that one Contracting Party, Cuba, has expressed its intention to invite the year 2001 Annual Meeting to Cuba.

There was no formal motion presented to the Meeting from the floor on this matter and no decision made.

- 5.4 The other substantive issues from STACFAD were the following:

- to modernize the NAFO website and allocate at this first stage \$5,000 Cdn. subject to further review of the costs by STACFAD;
- to authorize the NAFO Secretariat to review the scheduling and time of Annual Meetings to ensure that the mandate of the Organization be adequately fulfilled.

- 5.5 The General Council reviewed all recommendations item by item and took the following decisions:

- to **adopt** the budget of \$1,092,000 Cdn. including all other budgetary elements recommended by STACFAD;
- the term of the present Executive Secretary shall be extended for one more period (4 years) and the NAFO Staff Rules be amended to read that the official term of the NAFO Executive Secretary shall be four (4) years subject to the possibility of renewal by the General Council for one (1) more four (4) year period. (Annex 10)

Note: At the Heads of Delegations Meeting, on 17 September 1998, the NAFO President, Mr. A. Rodin, presented the Executive Secretary's application for the extension of his Contract with NAFO for the next term of four (4) years from 01 January 1999 through 31 December 2002. This application was **endorsed** by all Delegations.

The STACFAD Report was **adopted** as a whole by the General Council.

- 5.6 The General Council reviewed and adopted the Schedule of NAFO Working Group Meetings during 1999 (Annex 11).

6. Closing Procedures (items 18-21 of the Agenda)

- 6.1 Item 18, "Time and Place of the Next Annual Meeting", was resolved in STACFAD Report. The 21st Annual Meeting will be scheduled in Halifax Regional Municipality, N.S., Canada, through 08-17 September 1999.
- 6.2 There were no other matters to discuss under item 19 "Other Business".
- 6.3 The Press Release was prepared by the Executive Secretary and circulated to all Contracting Parties. (Annex 12)
- 6.4 The 20th Annual Meeting of NAFO adjourned at 1330 hrs on 18 September 1998.

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**Annex 2. Speech of His Excellency, the Minister of Agriculture, Rural
Development and Fisheries, Mr. Gomes Da Silva**

(translated from Portuguese language)

The Minister of Agriculture and Fisheries of Portugal is very grateful for the opportunity to open this Meeting of the NAFO General Council, especially as we celebrate the International Year of the Ocean in this very special city, Lisbon, host to EXPO 98 and where so much of Portugal's history has been connected with the seas and the oceans of our planet.

Moreover, the fact that Portugal is one of the founding members of this prestigious regional fisheries organization, and that it is here that we are celebrating its 20th statutory meeting is all the more reason for the Portuguese to be proud, especially at a time in our history when we are seeking new ways of fitting into this tumultuous fishing industry.

We firmly opted for a gradual, but clear application of the new concepts defined in 1992 in Cancun, Rio de Janeiro, Rome and, more recently, in New York. We have been simultaneously fighting to elevate the standing of fishers. We have already introduced a law to regulate work on board fishing boats, and we will shortly be creating better social security conditions for these sea workers, who throughout history have systematically been pushed by society to the bottom rungs of civilization.

Ladies and Gentlemen

The history of the fisheries is also the history of Man and the difficult relationship that has always existed between him and that immense secret-strewn world of the oceans.

With emotion and marvel, on the one hand, and anguish, on the other, we continue to slowly discover the huge potential for life and resources that the oceans can offer us if they are well managed. But we are also becoming aware of all that must still be learned about that universe of questions which covers about 70% of the earth's surface and about the seriousness of the consequences which unregulated exploration of global fishing resources has had over the past 50 years.

We have been living in this very difficult reality for over a decade. With the impoverishment of the big global fisheries, many industries have been destroyed, causing unemployment and social and economic instability in many fishing communities and in various regions, many of which are almost entirely dependent on the fishing industry.

All of us, scientists, shipowners, industrialists, corporate managers or mere politicians know that it is no longer possible to ignore the critical situation in which many of the main fisheries and world resources are found. One way or another, many of us are suffering from the negative consequences of this problem.

Many of us are not aware that the diverse marine ecosystems in the coastal areas underwent, or are undergoing, incredible change due to human activities. These changes influence, in one way or another, the condition of local and regional fisheries.

This is why we have become deeply involved in defending the oceans and the fisheries. A few weeks ago, the Independent Ocean Commission formally presented its report to the United Nations. This report sounded an alarm: it's time to take measures and radically change people's behaviour.

In the meantime, Portugal, in addition to its quite active participation at the New York Conference and its unequivocal position with respect to the principles adhered to there, has completed the formal ratification process of the 1982 Conference.

We are partisans of this cause and, therefore, are looking to practice responsible fishing. With this in mind, all our ships operating out of the North Atlantic are equipped with a satellite remote control system to observe both their position and their activities. We have also published legislation designed to ensure compliance with the rules established for international and third country waters, especially as concerns flags of convenience.

Mr. President, Ladies and Gentlemen .

More important than the grave state of a significant amount of the more important resources, is our current, enhanced knowledge of the extreme vulnerability that characterizes the different species and the interdependent relationships between them and the environment in which they exist and live.

The critical experiences in more recent modern history, first in the North Sea then in the Central and South Pacific, with the big anchovy crisis in Peru and Chile, and more recently, in the North Atlantic and Pacific and in the South-East Atlantic, have been a good indication of how important it is for governments, administrations and economic sectors to act with greater care, making vast changes to their traditional exploration methods.

In brief, there is an urgent need to adjust economies to biological and ecological reality. We form part of a complex system and, as in the past, our future depends on how wise we are in harmoniously combining our needs and desire for progress with the levels of tolerance of this natural world we have penetrated.

One conclusion can be drawn from all the appeals and warnings which, since the 70s, have been launched at us – from the Rome Club to the von Brandt, Brundtland and, more recently, Soares reports: our living resources (because that is what we are dealing with here) are limited and, even more importantly, vulnerable. That is why the exploration methods must be adjusted to their self-sustaining capacity if we want to guarantee that this exploration will last forever.

It is in the context of the principle of precaution and its practical application, that is, a careful approach, that the general rule should be established. Last of all, it represents the safest path to avoiding greater disaster when the degree of uncertainty is significant, and even high.

It is, also, in this context that we can better understand the need to balance the measures, taking into account not only the biological and environmental aspects, but also the sociologic and economic ones.

We use all our means to fight the irresponsible attitude of men when they – due to a dominant culture and ideology – try to “shape” natural resources, using them solely for profit. The battle must be no less intense when social and economic issues are placed on secondary levels, reducing men as well to mere “things”, either through political ideology or in the name of the science of reduction.

We must urgently reflect on the need to change this at times present tendency in order to establish strict visionary and behavioural standards in the scientific world, a world that cannot be reduced to a simplified abstraction of a model, the convenience of a routine, nor the devaluation of the margins of error.

For all of these reasons, although it is quite normal to take restrictive measures whenever the state of our resources so requires, it is also normal to carefully reduce the weight of these limitations, lifting social and economic pressure, when resources improve.

The great challenge is in knowing how to measure, at each moment, the level of acceptable risk for a certain threshold of sustainable tolerance and, as strictly as possible, the currently known margin of error

In addition to establishing the reality of each situation concerning resources, the investigation into the fishing sector must also take into account margins and thresholds, with the same clarity, in such a way that politicians and managers may develop and give greater weight to more appropriate measures.

Mr. President, Ladies and Gentlemen

Finding a solution to the problems we are faced with today will not be easy. As responsible politicians for so delicate and difficult an area as the Portuguese fisheries, we have decided to create the conditions required to gradually get out of this slump. For this we need to adopt, at each moment, necessary measures without losing sight of man, his communities and the construction of a future on more solid and lasting foundations.

If we all work with this same objective in mind, in an environment of trust and transparency, it will be easier to meet this great challenge facing current and future generations: to ensure development based on sustainable levels, knowing, from the start, that development and progress are not necessarily synonymous with growth.

Lisbon, September 15, 1998

Annex 3. Opening Statement by the Representative of the European Union
(E. Mastracchio)

Mr. Chairman,

On behalf of my Delegation, I wish to echo the warm welcome to Portugal. It is especially fitting that this year's NAFO Annual Meeting is taking place here in Portugal. As you may know, Portugal is the point where the Atlantic Ocean first meets Europe. As a consequence, Portugal's history has been inseparably linked with the sea. I hope that Delegates will have the opportunity to enjoy Portugal's hospitality during your stay here.

The European Community believes that international cooperation in the conservation and management in the fish stocks of the Northwest Atlantic region is at an important juncture as our common interest as Contracting Parties as well as the complexity of the issues we are dealing with continue to increase over the years. It is also our hope that NAFO will continue to be at the forefront of international fishery management.

There are a number of important challenges ahead of us in the next few days. In this exercise, the European Community is fully committed to sound management of fishery resources based on the best scientific advice available. This commitment will be voiced throughout this week and will be the basis for our thinking at this Annual Meeting. We must also be aware of the fact that what we are doing is for the benefit of fishermen. Where strong decisions are required, they must be such that they meet the long-term interest of fishermen. Where scientific advice permits to do so, positive signals should be given so that fishermen see that they can benefit from the restraint which has been practised over the last several years. This shows that science and socio-economic considerations must and can be reconciled.

NAFO has been described as the regional fisheries organization with the most advanced control system of the world. This meeting is an opportunity to solidify this progress by adopting measures for enhancing this control system by modern technology.

Furthermore, we strongly support the conceptual work which is underway within NAFO and which may have repercussions for other regional fisheries organizations. We are very pleased that the adoption of a fine non-Contracting Party Vessels Scheme at last year's Annual Meeting has set the scene for other organizations (e.g. CCAMLR, ICCAT and NEAFC). In this same vein, NAFO will have to make important contributions to the application of the Precautionary Approach to fisheries management, to the issues of increased openness and transparency and to the peaceful settlement of disputes. In essence, this is to give real meaning to the new developments in international fisheries which have been brought about by the UN Agreement on Straddling and Highly Migratory Fish Stocks, the FAO Code of Conduct for Responsible Fisheries and the ensuing new spirit to address common conservation and management issues.

Mr. Chairman, may I wish everyone present from all Contracting Parties here today the very best from my Delegation and may we have success in our common work over the next few days. I look forward to working with you, Mr. Chairman, and all the delegates in the most constructive way possible in order that we can fulfil all the objectives and challenges ahead of us at this important meeting of our Organization.

Annex 4. Opening Statement by the Representative of Canada (P. Chamut)

Mr. Chairman, distinguished Delegates, ladies and gentlemen, it is a pleasure for Canada to participate at NAFO's 20th Annual Meeting in the historic and beautiful city of Lisbon with its rich seafaring past.

On behalf of the entire Canadian delegation, I wish to thank the Portuguese authorities for their hospitality and the opportunity to visit their marvellous World Exposition.

It is especially fitting that this year's NAFO meeting coincides with the International Year of the Oceans, the World Exposition and its related activities. It provides an appropriate backdrop to remind us all of the global importance of our oceans and the need for responsible fishing practices to ensure sustainable fisheries.

As Minister Da Silva has reminded us this morning, we are facing serious challenges in our fisheries program. Important fish stocks have declined significantly in almost all the major fishing areas of the world and this has had devastating impacts on coastal communities. We concur with his admonition that we must radically change our approach and adjust to these new biological and economic realities. His words have highlighted the challenge which faces us in NAFO – the conservation and rebuilding of the once plentiful stocks of the Northwest Atlantic.

The assessments and recommendations provided by the Scientific Council underline the need for continuing restraint and vigilance in surveillance and enforcement of the NAFO conservation measures in order to ensure that the path to rebuilding of stocks is not compromised.

The Scientific Council recommends continuing in 1999 most of the moratoria on fishing for groundfish stocks. However, it is heartening to see some positive signs for 2+3KLMNO Greenland halibut and 3LNO yellowtail flounder.

While there are some positive signs that investments in rebuilding are beginning to pay off, we must also remain alert to the danger signals reported by the Scientific Council. In particular, we need to heed their concerns about the high proportion of catches of young, immature fish, either in the directed fishery or caught as bycatch.

Canada's objective is to have sustainable fisheries in the northwest Atlantic. I am sure this objective is shared by all. However for most of the NAFO stocks currently under moratoria, it is not yet time to benefit from the restraint we have practised over the past several years nor can we think that the challenge has been met. For some issues, we may also need to consider modifying or extending some conservation measures or introducing new ones.

Three years ago NAFO adopted strengthened Conservation and Enforcement Measures. These were rightly hailed as a milestone on the road towards enhanced international cooperation towards a common purpose. That purpose is to ensure that high seas fishing activities are conducted in a rational, sustainable and responsible manner. A comprehensive NAFO enforcement regime is essential to the viability and sustainability of NAFO stocks, and to meeting our collective obligations under the Convention.

These new measures have provided NAFO with an enforcement regime that is demonstrably more effective and has rebuilt confidence in the Organization. The number of infringements is sharply down as a direct consequence of the observer program and other measures. We have witnessed a

marked increase in compliance with NAFO rules. Fishing by non-Contracting Parties has been halted.

We need to build on the achievements of recent years to sustain the progress which has been made in controlling overfishing and deterring unsustainable fishing practices. The implementation of these measures has laid the groundwork for the recovery and rebuilding of stocks in the Northwest Atlantic. I believe that this is of fundamental importance and benefit to all NAFO Parties, like Canada, who wish to see renewed fishing possibilities in the NAFO Regulatory Area.

I am also encouraged by the new international agreements that have been signed or adopted in recent years, including the United Nations Agreement on Straddling and Highly Migratory Fish Stocks, the FAO Compliance Agreement, and the FAO Code of Conduct for Responsible Fishing.

Canada applauds those governments that have already ratified the UN Fish Agreement. Legislation has been introduced in the Canadian Parliament to bring our laws into line with the Agreement. Canada will then be able to ratify it. We encourage all NAFO members who have not already done so to ratify the Agreement with a view to expediting its entry into force.

I would also like to acknowledge the work of the Scientific Council and fisheries managers who continue to develop a framework for a precautionary approach to fisheries management in the NAFO Regulatory Area. While a framework may take time to implement, the meetings to date represent concrete steps in introducing this management approach to NAFO stocks.

As Contracting Parties to the NAFO Convention, we all share the responsibility for conservation of the resources in the NAFO Regulatory Area. We must ensure that achievement of that responsibility remains our primary objective, rather than accommodating short term narrow interests. If we fail to take care of our entire garden, its full productive bounty will not be realized.

This 20th annual meeting of NAFO will be an especially critical one for this Organization, as we are facing a number of important issues which will have significant implications for the future.

I am looking forward to a constructive and positive dialogue at this session which will help advance the interests of this Organization and all its members. Thank you.

**Annex 5. Opening Statement by the Representative of France
on behalf of Saint-Pierre and Miquelon
(G. Grignon)**

For the last three years, France on behalf of Saint-Pierre and Miquelon has been playing an active role within NAFO. The political and economic leaders of the Archipelago wanted to join NAFO for obvious reasons.

The first reason is that during its five centuries of existence the sole production activity of the islands and indeed their very reason for being has traditionally been the fishery, in particular the cod fishery, as well as fish processing.

The second reason is that the Archipelago and its maritime zone are fully encompassed by the NAFO regulated area. Our fishers have a natural calling to develop their traditional fisheries in the areas managed under NAFO guidelines.

There is also a third reason. Despite the serious economic crisis brought about by the cod moratorium in French and Canadian exclusive economic zones, we believe that the future of the Archipelago remains linked to the sea and development activities that rely on marine resources.

These three essential reasons compel us to continue taking an active part in the work of NAFO with an aim to developing an integrated resource management and conservation policy.

These last two years, we have attended almost all of the working group sessions. In particular, this year, we actively contributed to the working group on transparency and the working group on the allocation of fishing rights to contracting parties of NAFO and the chartering of vessels between contracting parties.

With respect to the first working group, we are open to an adequate participation of NGOs provided they comply with the conditions set out in NAFO's by-laws.

As far as the second group is concerned, we believe it is important to continue the discussion on the allocation of fishing rights, but we also believe NAFO should allow the chartering of vessels between contracting parties provided they ensure proper monitoring of operations. France on behalf of Saint-Pierre and Miquelon will be submitting a proposal to this effect during this annual meeting of NAFO.

Allow me to add that the reports prepared by the working group leaders provide a sound basis to build on. The same can be said of the report of the working group on the settlement of disputes, which is another fundamental issue for NAFO.

The ongoing work of NAFO with respect to these important issues attests to its leadership role in the international community and we are proud to be associated with these efforts.

But it is also obvious that France on behalf of Saint-Pierre and Miquelon is here because it is hopeful its presence will translate into the possibility of developing certain fisheries to meet the economic needs of the Archipelago.

This concludes, Mister Chairman and heads of delegation, the statement France on behalf of Saint-Pierre and Miquelon wished to make at the opening of this NAFO session. I would like to end by thanking our Portuguese hosts for inviting us into their beautiful city.

Annex 6. Opening Statement by the Representative of the Russian Federation
(V. A. Izmailov)

Mr. Chairman, Distinguished Delegates, Ladies and Gentlemen:

First of all, let me express our appreciation to the European Union for their invitation to host the 20th Annual Meeting of NAFO in Portugal and the opportunity offered thereby to visit the Expo-98 Exhibition.

This Annual Meeting is being held during the time of significant changes within NAFO, the time when we face serious challenges with respect to developing an efficient system of conservation and management of marine living resources in the Northwest Atlantic.

By combining our efforts we are to do the best we can to restore fish stocks to the level where fishermen of all NAFO Contracting Parties could carry out economically beneficial fishery in the NAFO Regulatory Area.

In our endeavors to achieve sustainable fisheries, of major importance as tools of international law are the UN Agreement on Straddling Fish Stock and Highly Migratory Fish Stocks and the FAO Code of Conduct for Responsible Fishery.

I would like to express our hope that the 20th Annual Meeting of NAFO will be successful and its decisions will further the progress to achieve goals set by us.

Thank you for your attention.

**Annex 7. Opening Statement by the Representative of the
United States of America
(A. Rosenberg)**

Mr. President, Distinguished Delegates, Ladies and Gentlemen,

The United States is very pleased to take part in the 20th Annual Meeting of NAFO in this beautiful and hospitable city of Lisbon. We would also like to thank our hosts, the Government of Portugal, for their generosity in hosting the meeting and providing this venue for our work.

The United States supports implementing the advice of the Scientific Council and calls on NAFO to use the opportunity provided by this advice to improve our management practices. We must act now to improve these practices so that they are all in place to regulate fishing when key stocks recover. Only by taking the necessary steps now can we avert the risk of recreating the current state of affairs.

The United States strongly supports the early implementation of the UN Fish Stocks Agreement as a guide for the work of NAFO. The Minister's opening statement emphasized the need for action to improve management of fisheries resources, and the Fish Stocks Agreement is an important step in that direction. In this regard, the United States looks forward to working with our fellow NAFO Contracting Parties in moving forward with our efforts to develop improved procedures for quota allocation, implementation of the precautionary approach to fisheries management, and increased transparency of our decision-making process by allowing observers from interested intergovernmental and non-governmental parties access to our meetings.

The United States is pleased with the efforts made by NAFO intersessionally to address these issues and encourages continued work at this meeting and during the coming year on all of these fronts.

Again, I welcome the opportunity of this meeting to work with friends and colleagues, in this beautiful and historic setting, to make NAFO the model regional fisheries management organization for the world.

Thank you very much.

Annex 8. Agenda**I. Opening Procedure**

1. Opening by Chairman, A. V. Rodin (Russia)
2. Appointment of Rapporteur
3. Adoption of Agenda
4. Admission of Observers
5. Publicity

**II. Supervision and Coordination of the Organizational,
Administrative and Other Internal Affairs**

6. Review of Membership
 - a) General Council
 - b) Fisheries Commission
 - c) Review of Reports from Contracting Parties on their communication with Bulgaria and Romania
7. Report of the Working Group on Transparency in NAFO Activities and Decisions
8. Administrative Report
9. Place of the 22nd Annual Meeting in the year 2000

III. Coordination of External Relations

10. Communication with the United Nations (Resolutions 51/35 and 51/36)
11. NAFO Participation at other International Organizations (NAMMCO, ICES, CWP-FAO)

**IV. Fishing Activities in the Regulatory Area Adverse to the
Objectives of the NAFO Convention**

12. Consideration of Non-Contracting Parties activities in the NAFO Regulatory Area and agreement on the task of STACFAC at the current meeting
13. Report of STACFAC at the Annual Meeting and decisions on actions
14. Report of the Working Group on Dispute Settlement Procedures (DSP)
15. Report of the Working Group on Allocation of Fishing Rights and Chartering of Vessels

V. Finance

16. Report of STACFAD at the Annual Meeting
17. Adoption of the Budget and STACFAD recommendations for 1999

VI. Closing Procedure

18. Time and Place of Next Annual Meeting
19. Other Business
20. Press Release
21. Adjournment

Annex 9. Draft resolution concerning the chartering by an operator of a Contracting Party of vessels flying the flag of another Contracting Party to conduct fishing operations in the NAFO regulated area
(Paper Submitted by France on behalf of Saint-Pierre and Miquelon)

Any chartering by an operator of a Contracting Party of vessels flying the flag of another Contracting Party to exploit fishing possibilities opened to that Party under NAFO rules shall comply with the following procedure :

1. The NAFO Secretariat and other Contracting Parties shall be notified of the chartering operation. Such notification shall be made by the authorities of the Contracting Party of the operator.
2. The Authorities of the Contracting Party of the operator and the Authorities of the Contracting Party of the chartered vessel shall enter into a bilateral agreement (i.e. exchange of letter) specifying the general terms of the chartering operation namely notification, reporting, monitoring and control requirements.
3. The Contracting Party of the operator shall be responsible for the recording and reporting of catches as well as notifications concerning the beginning of the fishery. An observer of the said Contracting Party shall be present on board the chartered vessel.
4. In case of non compliance with NAFO regulations (Scheme of Joint International Inspection and Surveillance of the Conservation and Enforcement Measures), the inspector shall forward his report to the Contracting Party of the chartered vessel and the Contracting Party of the operator. The Contracting Party of the chartered vessel shall take appropriate sanctions pursuant to point 17 of the scheme and shall notify the Authorities of the Contracting Party of the operator and the NAFO Secretariat accordingly.

Annex 10. Amendment of the NAFO Secretariat Staff Rules

Introduction

The NAFO Secretariat Staff Rules were adopted by the General Council at the 13th Annual Meeting in September 1991 (General Council Annual Meeting Report, item 5.2, and Part II, item 14, Annex 6).

Decision

At the 20th Annual Meeting, the General Council decided (GC Report, item 5.5) to amend Rule 4.1 of the Staff Rules with additional provision on the term of the Executive Secretary office as follows (underline):

SECTION 4. Recruitment and Appointment

Rule 4.1

In accordance with Article XV.2 of the Convention, the General Council shall appoint the Executive Secretary and shall establish tenure, remuneration and other conditions and entitlements as appropriate, *within the principles of these Rules*. The term of the Executive Secretary's office shall be four (4) years subject to the possibility of renewal by the General Council for one (1) additional four (4)-year period.

Annex 11. Schedule of NAFO Working Group Meetings during 1999
(adopted at the closing session of the General Council on 18 September 1998)

Working Group	Time	Place
Dispute Settlement Procedures at NAFO	February 3-5	Bergen, Norway
Transparency of NAFO Activities and Proceedings	March 2-4	NAFO Headquarters Dartmouth, N.S. Canada
Quota Allocation Practices and Chartering Vessels	April 13-15*	Washington, DC United States
Precautionary Approach in Management of NAFO Stocks (joint Scientific Council and Fisheries Commission Working Group)	May 3-5 (April 26-30)**	San Sebastian, Spain

*Note: These dates would be finalized at later stage by mail exchange between USA delegation, Contracting Parties and the NAFO Secretariat.

**Note: NAFO Scientific Council experts will meet in advance of the W.G. meeting.

Annex 12. Press Release

1. The 20th Annual Meeting of the Northwest Atlantic Fisheries Organization (NAFO) was held in Lisbon, Portugal, during 06-18 September 1998, under the chairmanship of Alexander Rodin (Russia), President of NAFO. The NAFO constituent bodies - General Council, Fisheries Commission and Scientific Council convened their sessions at the Altis Hotel.
2. The meeting was attended by 200 participants from fifteen Contracting Parties - Canada, Cuba, Denmark (in respect of Faroe Islands and Greenland), Estonia, European Union, France (in respect of St. Pierre et Miquelon), Iceland, Japan, Republic of Korea, Latvia, Lithuania, Norway, Poland, Russia and United States of America.
3. Prior to the 1998 Annual Meeting, the following seven NAFO meetings were held: Working Group on Allocation of Fishing Rights to Contracting Parties of NAFO and Chartering of Vessels between Contracting Parties (Brussels, March 1998); Scientific Council Workshop on Precautionary Approach (NAFO Headquarters, March 1998); General Council Working Group on Dispute Settlement Procedures (NAFO Headquarters, April 1998); Scientific Council/Fisheries Commission Working Group on Precautionary Approach (Copenhagen, May 1998); Standing Committee on International Control (STACTIC), (Copenhagen, May 1998); General Council Working Group on Transparency (Washington, DC, May 1998); Regular Scientific Council Meeting (Dartmouth, Canada, June 1998). The reports and documents from the above-noted meetings were distributed to Contracting Parties for the preparation and discussions at the Annual Meeting.
4. The Scientific Council, under the chairmanship of H.-P. Cornus (EU-Germany), reviewed and assessed the state of 25 fish stocks in the NAFO Regulatory and Convention Areas. The scientific advice and recommendations for the management, conservation and utilization of the fishery resources were forwarded to the Fisheries Commission noting that all cod stocks remained at low abundance and should continue under moratoria in 1999. The Council also recommended continuation of moratoria in 1999 for 3LNO and 3M American plaice, 3LN Redfish, 3NO Capelin and 2J3KL witch flounder.

The cod stock in 3M has collapsed and was put under a moratorium.

The Council also recommended that the 3LNO Yellowtail flounder TAC be increased from 4,000mt to 6,000mt and that the Flemish Cap redfish (3M) TAC be set significantly below (in the order of 50%) the current level of 20,000mt. The Greenland halibut stock is showing signs of improved recruitment and recommendation was that an increase in catch would not impede recovery.

The Scientific Council continued its progress in developing a precautionary approach to the management of NAFO stocks and proposed new elements to its Action Plan and schedule for new discussions during 1999.

5. The Fisheries Commission, under the chairmanship of P. Gullestad (Norway), considered the Scientific Council recommendations and agreed on joint international measures and actions for the conservation and utilization of the fishery resources in the Regulatory Area.

The Commission agreed to put under moratoria in 1999 on the following stocks: Cod in Divisions 3M and 3L (that portion within the Regulatory Area) and 3NO, Redfish in Div. 3LN, American plaice in Divisions 3M and 3LNO, Witch flounder in Div. 3NO and 3L

(that portion within the Regulatory Area) and Capelin in 3NO. The TAC for Greenland halibut increased to 33,000 mt (from 27,000mt) of which 24,444mt was allocated to the Regulatory Area. The Quota Table for 1999 was adopted (see attached).

New conservation and enforcement measures were agreed as follows:

- Concerning the shrimp fishery on the Flemish Cap in Division 3M, there was agreement that the existing effort allocation Scheme in the shrimp fishery would continue, and that the fishing days should be 90% of maximum number of those observed by Contracting Parties for their vessels in one of the years during 1993-1995 and these days should not be transferable between Contracting Parties. There will be no directed shrimp fishery in part of 3L.
- There was agreement on 100% coverage by observers, and satellite tracking devices should be installed on all vessels fishing in the Regulatory Area not later than 1 January 2001, with the understanding that the program will be reviewed for application in 2001 and thereafter. The NAFO Secretariat will be equipped in the near future with updated hardware and software to handle the satellite tracking information.
- Formats for Electronic Transmission of NAFO hail reports from Contracting Parties to the NAFO Secretariat were adopted and incorporated into the Conservation and Enforcement Measures.
- Contracting Parties of NAFO shall ensure that their fishing vessels do not receive transshipments of fish from non-Contracting Party vessels which have been sighted in fishing activities in the NAFO Regulatory Area.

On other important management issues, the Fisheries Commission considered that more accurate data, and control should be introduced to account for all discards and by-catches. It was the agreement in conjunction with the Scientific Council, on consistent formats and procedures for scientific data collection by observers on board fishing vessels. This information would provide additional tools for stock assessments.

On the subject of the precautionary approach, the Fisheries Commission jointly with the Scientific Council decided to call a special intersessional Working Group meeting in spring 1999. The meeting will progress further with the idea of "case specific studies" and develop a precautionary management strategies for three groundfish stocks (Cod 3NO, Yellowtail flounder 3LNO, Shrimp 3M).

6. The General Council, under the chairmanship of A. Rodin (Russia), deliberated several outstanding issues regarding internal and external NAFO policy and resolved the following:
 - For improving transparency in NAFO proceedings and decisions, the agreement was to continue the work in a Working Group to develop recommendations to the General Council at the 21st Annual Meeting, September 1999.
 - On dispute settlement procedures, the Council agreed that the Working Group should continue its work and report to the next Annual Meeting, 1999.

- NAFO should seek closer inter-regional cooperation with other regional fisheries organizations with the aim to share information and to promote respect for relevant conservation measures by Non-Contracting Party vessels.
- The President of NAFO, A. Rodin (Russia), signed diplomatic demarches to the Non-Contracting Party flag-States whose vessels fished in the NAFO Regulatory Area in 1998, namely Belize, Honduras, Panama and Sierra Leone.
- To improve control of the fisheries by the Contracting Parties, the General Council resolved to prohibit any charter vessel arrangements until a comprehensive set of rules is developed by NAFO.

7. The following elections of NAFO officers took place:

Chairman of the Standing Committee on Fishing
Activity of Non-Contracting Parties in the
Regulatory Area (STACFAC)
Vice-Chairman of STACFAC

- Dr. J.-P. Plé (USA)
(re-elected)
- Mr. D. Silvestre (France-
in respect of St. Pierre et
Miquelon)

Chairman of the Standing Committee on
Fisheries and Environment (STACFEN)

- M. Stein (EU-Germany)
(re-elected)

NAFO General Council
18 September 1998

NAFO Secretariat
Lisbon, Portugal

QUOTA TABLE. Total allowable catches (TACs) and quotas (metric tons) for 1999 of particular stocks in Subareas 3 and 4 of the NAFO Convention Area. The values listed include quantities to be taken both inside and outside the 200-nm fishing zone, where applicable.

Contracting Party	Cod		Redfish		American plaice		Yellowtail	Whitch	Capelin	G. halibut	Squid (Illex) ^{2,3}
	Div. 3M	Div. 3NO*	Div. 3M	Div. 3LN*	Div. 3M*	Div. 3LNO*	Div. 3LNO	Div. 3NO*	Div. 3NO*	Div. 3LMNO	Subareas 3+4
1. Canada	0	0	500	0	0	0	5850 ⁷	0	0	3 667	N.S. ⁴
2. Cuba	0	-	1750	0	-	-	-	-	0	-	1 125
3. Denmark (Faroe Islands and Greenland)	0	-	69	-	-	-	-	-	-	-	-
4. European Union	0	0	3 100	0	0	0	120 ⁷	-	0	13 530	N.S. ⁴
5. France (St. Pierre et Miquelon)	-	-	69	-	-	-	-	-	-	-	1 000
6. Iceland	-	-	-	-	-	-	-	-	-	-	-
7. Japan	-	-	400	-	-	-	-	-	0	2 506	1 125
8. Korea	-	-	69	-	-	-	-	-	-	-	1 000
9. Norway	0	-	-	-	-	-	-	-	0	-	-
10. Poland	0	-	-	-	-	-	-	-	0	-	500
11. Estonia	-	-	-	-	-	-	-	-	-	-	-
12. Latvia	0	0	13 850 ¹	0	0	0	-	0	0	-	2 500 ¹
13. Lithuania	-	-	-	-	-	-	-	-	-	-	-
14. Russia	-	-	-	-	-	-	-	-	-	-	-
15. United States of America	-	-	69	-	-	-	-	-	-	-	1 000
16. Others	0	0	124	0	0	0	30 ⁷	0	-	1 624 ⁵	1 750
Total Allowable Catch	*	*	13 000 ⁶	*	*	*	6 000 ⁶	*	*	24 444	75 000

¹ Quotas to be fished by vessels from Estonia, Latvia, Lithuania and the Russian Federation. The provisions of Part I, Section A.3 of the NAFO Conservation and Enforcement Measures shall apply.

² The opening date for the Squid (Illex) fishery is 1 July.

³ Any quota listed for squid may be increased by a transfer from any "coastal state" as defined in Article 1, paragraph 3 of the NAFO Convention, provided that the TAC for squid is not exceeded. Transfers made to Contracting Parties conducting fisheries for squid in the Regulatory Area shall be reported to the Executive Secretary, and the report shall be made as promptly as possible.

⁴ Not specified because the allocation to these Contracting Parties are as yet undetermined, although their sum shall not exceed the difference between the total of allocations to other Contracting Parties and the TAC.

⁵ Of which no more than 40% (650 t) may be fished before 1 May 1999 and no more than 80% (1299 t) may be fished before 1 October 1999.

⁶ Each Contracting Party shall notify the Executive Secretary bi-weekly of catches taken by its vessels from this stock. The Executive Secretary shall notify without delay all Contracting Parties of the date on which, for this stock, accumulated reported catch taken by vessels of the Contracting Parties is estimated to equal 100 percent of the TAC for that stock. At that date each Contracting Party, to which a quota has been allocated or which vessels are engaged in fishing under the "Others" quota, shall prohibit fishing by its vessels for that stock.

⁷ Contracting Parties shall inform the NAFO Executive Secretary before 1 December 1998 of the measures to be taken to meet the advice of the NAFO Scientific Council.

⁸ The provisions of Part I, Section A.5b) of NAFO Conservation and Enforcement Measures shall apply.

* No directed fishing - The provisions of part I, Section A.5b) of NAFO Conservation and Enforcement Measures shall apply.

**Annex 13. List of Decisions and Actions by
the General Council
(20th Annual Meeting, 14-18 September 1998)**

Substantive issue (propositions/motions)	Decision/Action (GC Doc. 98/7, Part I; item)
1. Participation in NAFO by two Contracting Parties – Bulgaria and Romania	Contracting Parties will continue their contacts with the Bulgarian and Romanian authorities during 1999. The Executive Secretary shall investigate the practices of other International Bodies regarding membership provisions: item 2.1
2. Transparency of NAFO Activities and Decisions	The Working Group on Transparency will meet intersessionally (2-4 March 1999) at NAFO Headquarters; item 2.2
3. Report of STACFAC to the Meeting: - New diplomatic demarches to Belize, Honduras, Panama, Sierra Leone - Re-elect Dr. J.-P. Plé as STACFAC Chairman	Adopted; item 4.1 Agreed; item 3.1 Noted; item 4.4
4. Working Group on Allocation of Fishing Rights and chartering of vessels: - The mandate to decide on the issue of chartering fishing vessels by Contracting Parties to fish their allocations in the NAFO Regulatory Area. - Contracting Parties shall not charter fishing vessels to fish in the Regulatory Area until final resolution of this matter. - Working Group on Chartering	-Clarified by the Chairman of General Council- This issue will be considered and decided only within the General Council authority. Agreed; item 4.6 -Agreed; item 4.6 -The W.G. will meet intersessionally in USA (time will be specified later).
5. Report of STACFAD to the meeting: - Auditors' Report (1997) - Accumulated Surplus Account - Bulgaria's and Romania's non-collectible debt for 1998	Adopted; item 5.2a Adopted; maintain the level not less than \$75,000 Agreed: To write-off from the Accumulated Surplus Account.
6. Budget for 1999 - incl. special amount for satellite tracking	Adopted; item 5.5; \$1,092,000 Cdn \$35,000.00 Cdn
7. Term of the Executive Secretary of NAFO	Agreed: item 5.5; - the term of the present Executive Secretary extended for four (4) years (01.01.99-31.12.2002) - amendment to NAFO Staff Rules to include an extension of the NAFO Executive Secretary's term for one (1) additional four-year period.
8. Annual NAFO Meetings, 1999-2001	Agreed on time and place of the Annual Meetings; item 6.1 and Part II, item 13.

PART II

Report of the Standing Committee on Finance and Administration (STACFAD)

1. Opening by the Chairman

The first session of the Standing Committee on Finance and Administration (STACFAD) was opened by the Executive Secretary, L. Chepel, on behalf of Mr. F. Kingston (European Union) at 1500 hrs on 14 September 1998. The Executive Secretary informed the Committee that Mr. F. Kingston was not able to attend this meeting. The Vice-Chairman, Mr. J.-P. Plé (United States of America) was also not able to attend the beginning of STACFAD due to other commitments.

In the absence of a Chairman and Vice-Chairman, Mr. A. Thomson (EU) was elected as interim Chairman.

The Chairman welcomed all delegates and in his opening remarks noted that the agenda had a number of issues for consideration, which have direct financial consequences to the Organization. He hoped that STACFAD would be able to give the General Council its recommendations with full knowledge that those responsibilities have been fulfilled. Delegates from the following Contracting Parties were present: Canada, Cuba, Estonia, European Union, Japan, Latvia, Lithuania, Norway, Russian Federation, and the USA (Annex 1).

2. Appointment of Rapporteur

F. Keating, Administrative Assistant and S. Goodick, Accounting Officer of the NAFO Secretariat were appointed Rapporteurs.

3. Adoption of Agenda

The provisional agenda was adopted as circulated to the Contracting Parties (Annex 2).

4. Auditor's Report for 1997

The Executive Secretary presented the Auditors' Report and Financial Statements of the Northwest Atlantic Fisheries Organization for the Year Ended 31 December 1997. The Executive Secretary indicated that the Auditors' Report, signed by Deloitte & Touche, was circulated to the Heads of Delegation on 30 March 1998 and no comments had been received on the Report.

STACFAD recommends to the General Council that the 1997 Auditors' Report be adopted.

5. Meeting of the Pension Society

The International Fisheries Commissions Pension Society (IFCPS) administers the pension plans and benefits for employees of NAFO and other international fisheries commissions based in North America. The annual meeting was held during 20-22 May 1998 in La Jolla California, USA. The next annual meeting of the IFCPS is scheduled to take place in Ottawa, Canada during 20-21 April 1999.

The Administrative Assistant presented STACFAD Working Paper 98/2 summarizing the annual meeting, which was attended by the NAFO Secretariat staff F. Keating and S. Goodick. The following items were noted:

- a) The IFCPS signed a contract with Eckler Partners Limited as the new Administrative Agent, who will provide pension consulting, actuarial and administrative services. The new contract will reduce NAFO's annual share of the contract by approximately \$4,300 from the previous year's contract of \$6,000.
- b) The IFCPS is reviewing the premium rates for Group Life Insurance and Long Term Disability Insurance in an effort to reduce costs.
- c) A new set of investment guidelines for an improved asset mix of the Canadian Pension Plan Funds is being established. The new guidelines should be prepared and submitted for approval by the next annual meeting of the IFCPS.

6. Review of Cost Implications of the Hail and Satellite Tracking Systems in the Regulatory Area

STACFAD Working Paper 98/1 (Annex 3) was distributed and reviewed by the Committee.

The Executive Secretary noted that computer system to handle reports has been upgraded in stages over the previous four years. In 1998, NAFO Headquarters installed a network and server, which could provide opportunities to handle the hail system. The cost for the system upgrade is being covered within the annual operating expense budget.

The General Council, at the 19th Annual Meeting of NAFO, allocated \$35,000 to the 1998 budget for the automation of the hail system. A STACTIC Working Group met in October 1997, although, they could not recommend any specific hardware/software to be installed at the Secretariat.

It is anticipated that the 1998 budgetary amount of \$35,000, for the automation of the hail system equipment at NAFO Headquarters, will not be expended during the fiscal year, therefore, it will be returned to the Accumulated Surplus. Since STACTIC is still exploring this technology, **STACFAD recommends that \$35,000 be allocated to the 1999 budget.**

7. Administrative and Financial Statements for 1998 (July)

The Executive Secretary presented the Administrative Report and Financial Statements (NAFO GC Doc. 98/5).

The Committee, noting the following, reviewed the financial statements in detail:

- the total 1998 estimated expense obligation of \$1,035,000 is \$42,000 below the 1998 approved budget of \$1,077,000.
- the Annual Meeting (and other meetings) and Scientific Council Meeting expenditures were over budget by \$21,500 due to unbudgeted intersessional meetings.

The Chairman informed the participants that payment for the amount of \$15,576.06 had been received from Cuba (1997 contribution) since the financial statements were prepared as of 31 July 1998.

The representative from the USA informed STACFAD that a payment of \$158,192.10 was issued and it hopes to provide the outstanding 1998 balance of \$12,805.33, pending needed USA Congressional action.

It was also noted that contributions were not received from Bulgaria and Romania.

8. Review of the Accumulated Surplus Account

The Executive Secretary reviewed the accumulated surplus account and it was noted that the year-end balance is estimated to be \$237,862 provided that all outstanding member contributions (excluding Bulgaria/Romania) are received.

As in past years, STACFAD recommends that \$75,000 be maintained as a minimum balance in this account in order to fulfil NAFO's financial obligations in early 1999 until contributions are received.

The remaining estimated accumulated surplus balance (\$162,862) at the end of 1998 would be used to reduce contributions due from Contracting Parties.

9. Preliminary Budget Estimate for 1999

The Executive Secretary presented the preliminary budget estimate for 1999 (GC Working Paper 98/2).

The Committee reviewed the preliminary budget estimate in detail and noted:

- salary levels included a 2% cost of living adjustment (COLA), although no COLA salary increases will be given until an agreement is finalized between the PSSA and the Canadian Government;
- computer services includes an additional \$5,000 for year 2000 upgrading, \$5,000 for modernizing/enhancing the NAFO Website and \$35,000 for automation of the hail system;
- the meeting account has been itemized to reflect budget estimates for the various meetings scheduled during 1999. At least four inter-sessional meetings are scheduled for 1999 (Annex 4);
- the preliminary budget estimate for 1999 is \$1,092,000 (Annex 4);
- the preliminary calculations of the 1999 billing is \$929,138 (Annex 5).

STACFAD recommends to the General Council that the budget of \$1,092,000 be adopted for 1999.

Committee members brought to the attention of STACFAD the potential of at least four inter-sessional meetings for 1999 as a result of issues being deferred from the General Council or Fisheries Commission. The concern was of the potential cost implications of all of the inter-sessional meetings being held. The Committee reflected the cost estimate of these meetings in the 1999 budget.

The Secretariat provided cost estimates of holding meetings in various venues (Annex 6).

Contracting Parties should be aware of the costs to themselves, however, some kind of balance should be struck which reflects both economies for NAFO and for Contracting Parties. It was noted that the European Union and also the United States have offered to host one inter-sessional

meeting each. One party suggested that NAFO travel costs could be reduced by having the host countries of inter-sessional meetings away from NAFO headquarters provide secretarial services for the Executive Secretary. Other Contracting Parties noted that, although more costly, it would be more efficient for the NAFO Executive Secretary to be accompanied by his Secretary to these meetings.

10. Term of Office of the Executive Secretary

The provisions regarding the Office of the Executive Secretary of NAFO are spelled-out in Article XV of the NAFO Convention. The Executive Secretary presented NAFO document GF/90-079 of 7 March 1990 on the term of the Executive Secretary, which included the terms of the appointment of current Executive Secretary.

The Term of Office of the Executive Secretary was proposed for discussion by the Canadian delegation. Canada's purpose for adding this item to the agenda was not to call into question the term of office of the current Executive Secretary but to discuss the desirability of developing some guidance for General Council on the term of employment for future NAFO Executive Secretaries. Some international fisheries commissions have developed the practice or rule to hire an Executive Secretary for a fixed period of time, i.e. 4 or 5 year term, with the possibility of renewing for one second term. The rationale for this practice is to clearly define the term of employment and thus to avoid any expectations of indefinite employment; and secondly, to allow the position to be rotated among interested applicants from other Contracting Parties. This latter point is an important consideration for many Contracting Parties as there is considerable interest in the executive positions of international fisheries commissions.

Canada believes the term of office question should be specifically 'codified' under Section 4 of the NAFO Staff Rules and conforms to the period noted above.

STACFAD recommends that the General Council examine the matter of Executive Secretary's term of office with a view to future appointments.

Furthermore, STACFAD recommends the renewal of the contract of the present Executive Secretary for a determined period.

11. Review of NAFO Measures to address the year 2000 computer challenge

The Executive Secretary informed the Committee that concern regarding NAFO measures to address the year 2000 computer challenge was forwarded to the NAFO Secretariat by the Canadian Delegation. STACFAD Working Paper 98/3 was circulated for discussion.

It was noted that arrangements had been made for a year 2000 audit of the computer hardware and software used within the NAFO Secretariat. Costs incurred to ensure that the NAFO Secretariat's computing infrastructure is Year 2000 compliant would be in the range of \$5,000. This amount has been included in the 1999 computer services budget estimate.

12. Preliminary Budget Forecast for 2000

STACFAD noted the preliminary budget forecast for 2000 would be reviewed in detail during the 21st Annual Meeting (Annex 7).

13. Time and Place of 2001 Annual Meeting

The location of the Annual Meeting for 1999 is scheduled for Dartmouth, Canada unless an invitation is extended by a Contracting Party and accepted by the General Council. STACFAD noted that the annual meeting for 2000 is scheduled to take place in Boston, USA. The 2001 Annual Meeting will be held in Halifax, Canada if no invitations to host the Annual Meeting are extended by a Contracting Party and accepted by the Organization.

The dates of the next Annual Meetings are as follows:

1999	-	Scientific Council	-	08-17 September
	-	General Council	-	13-17 September
	-	Fisheries Commission	-	13-17 September
2000	-	Scientific Council	-	13-22 September
	-	General Council	-	18-22 September
	-	Fisheries Commission	-	18-22 September

STACFAD recommends that the dates of the 2001 Annual Meeting be as follows:

2001	-	Scientific Council	-	12-21 September
	-	General Council	-	17-21 September
	-	Fisheries Commission	-	17-21 September

14. Other Issues

a) The following item was referred over from the General Council for the consideration of STACFAD.

Financial Requirements for Modernizing/Enhancing the NAFO Website (GC Working Paper 98/8, Annex 8)

STACFAD discussed the request by the Scientific Council for \$16,000 for 1999 for Modernization of the NAFO Website and \$8,000 annually thereafter for the maintenance of the NAFO Website. The Committee members were concerned about the 200 hours of work required and how the financial implications were derived. It was unclear if the amounts were estimated by the Scientific Council or if a computer specialist had been consulted on this issue.

In order for the Committee to reach a consensus on the financial request, additional information on the make up of costs would be required.

STACFAD recommends that an amount of \$5,000 be allocated for the Modernization/Enhancement of the Website for the 1999 budget and that the Executive Secretary be instructed to review the costs associated with the proposal in conjunction with STACFAD.

b) The Committee had concerns that because of the number of working groups and time constraints at the Annual Meeting, sufficient time may not have been set aside for full discussions at the annual meetings.

Noting the continual increase in administrative challenges during annual meetings, **STACFAD recommends that the General Council authorize the Secretariat to review the scheduling and**

time of annual meetings to ensure that the mandate of the Organization be adequately fulfilled.

Considering a number of proposals from NAFO bodies with impact on the budget, STACFAD would like to draw the Contracting Parties' attention to the decision by the General Council at the *16th Annual Meeting of NAFO (September 1994)* with requirement that all proposals with cost implications to the NAFO budget should be presented well in advance with cost estimates for this purpose of further discussions in STACFAD (FC Doc. 94/8, item 5.5).

15. Adjournment

The final session of the STACFAD meeting adjourned on 16 September 1998 at 1810 hrs.

Annex 1. List of Participants

<u>Name</u>	<u>Contracting Party</u>
A. Sarna	Canada
R. Dominguez	Cuba
R. Aps	Estonia
O. Tougaard	European Union
A. Thomson	European Union
S. Segura	European Union
H. Nakayama	Japan
H. Isobe	Japan
A. Ukis	Latvia
A. Rusakevicius	Lithuania
T. K. Rorvik	Norway
V. Fedorenko	Russian Federation
S. Kinney	USA
J.-P. Plé	USA
L. I. Chepel	NAFO Secretariat
S. M. Goodick	NAFO Secretariat
F. D. Keating	NAFO Secretariat

Annex 2. Agenda

1. Opening by the Chairman, A. Thomson (EU)
2. Appointment of Rapporteur
3. Adoption of Agenda
4. Auditor's Report
5. Meeting of the Pension Society
6. Review of Cost Implications of the Hail and Satellite Tracking Systems in the Regulatory Area
7. Administrative and Financial Statements for 1998 (July)
8. Review of Accumulated Surplus Account
9. Preliminary Budget Estimate for 1999
10. Term of Office of the Executive Secretary
11. Review of NAFO Measures to address the year 2000 computer challenge
12. Preliminary Budget Forecast for 2000
13. Time and Place of 2001 Annual Meeting
14. Other issues including questions from the General Council
15. Adjournment

**Annex 3. Cost Implications of the Hail and Satellite Tracking
Systems in the Regulatory Area, 1998 (STACFAD Working Paper 98/1)**

I. Hail System

The Hail System is provisioned in the NAFO Conservation and Enforcement Measures, Part III.E. Pursuant to the provisions, the NAFO Secretariat receives and verifies the hail reports from Contracting Party vessels and, then, transmits the reports to the Contracting Parties with inspection presence in the NAFO Regulatory Area. In 1997 there were two (2) Contracting Parties with inspection presence - Canada and the European Union.

a) Cost of Hard/software (\$CAD)

The computer system to handle hail reports was upgraded in several stages:

- In 1995 to accommodate the database conversion of statistical information and Hail Report procedures.

- In 1996 a consultant was hired to conduct the database implementation plan of converting all data files from the old system (Dbase) to the new database (Microsoft Access 7.0), to create report options for the system and to provide all hail information via X.25 connection to Contracting Parties with inspection presence.

- In 1997 all hail reports were directed to Canada and European Union via X.25 connection.

- In 1998 a complete computerized networking was installed at the NAFO Headquarters with a Central Server (AMD K6-233 processor with MMX, 128 MB of RAM, with 4 gigabyte harddrives), which could provide unlimited power and opportunities to handle hail system and as well, satellite tracking information. These costs will be included in the funds for satellite tracking.

b) Communication costs of transmissions of Hail Reports from the Secretariat to Contracting Parties with inspection presence during 1995-1998

Year	Telefax		Inmarsat		Maritime Tel & Tel		Total \$CAD
	Canada	EU	Canada	EU	Datapac	Network Service	
1995	90.9	540	-	3,101	201	3,181	7,113
1996	80.0	373	-	3,473	614	3,120	7,660
1997	-	-	-	-	855.17	3,120	3975.17
1998	-	-	-	-	796.88	3,120	3916.88

II. Satellite Tracking and Observers Pilot Project

The Pilot Project for Observers and Satellite Tracking is provisioned in the NAFO Conservation and Enforcement Measures, Part VI. According to the provisions, the NAFO Secretariat receives messages from the vessels equipped with satellite devices and transmits those to the Parties with inspection vessels in the Convention Area.

a) Cost of Hard/software

The decision had been made by the General Council at the 19th Annual Meeting, September 97, for allocation of funds of \$35,000 Cdn to the NAFO budget for the satellite tracking business. The Working Group (of STACTIC) met in October 1997 recommending standardized formats of satellite tracking reports from Contracting Parties to the NAFO Secretariat. This recommendation will be considered by the Fisheries Commission during the current meeting. The Working Group could not recommend any specific hardware/software to be installed at the Secretariat. The Secretariat on its own approached several local providers in Canada, but could not find any reliable company. The charges of some companies were too high even for a research stage (up to \$15,000), which was not acceptable for the Secretariat. At this stage, our negotiations are continuing with one company – "STRATOS Mobile Networks" to identify services and costs.

The NAFO Secretariat undertook the following practical steps to build-up a technological/computer base for a future automated system for satellite tracking (and hail reports):

- Complete computer networking/cabling at 100 MB/sec to handle any future technology/upgrades; Costs – \$2500 Cdn (lump sum).
- Central server of 128 MB of RAM and 4 gigabyte harddrives (2); Costs would be in the range of \$1,035.00 per month starting in June for the year 1998.
- New E-mail address – NAFO@ISTAR.ca for pilot trial dispatch of satellite reports; Costs \$50.00 per month for the year 1998.

Total costs for 1998 would be \$10,095.00.

These costs will be covered from the funds of computer services up to \$2,850.00 Cdn and \$7,245.00 Cdn shall be covered from contractual services. None of the allocated funds (\$35,000) for satellite tracking is anticipated to be used.

The amount of \$35,000.00 will be returned to the Accumulated Surplus Account.

The allocation of funds to satellite tracking technology for 1999 will depend on the Fisheries Commission/STACTIC recommendations and decision of the General Council.

b) Costs of communication

There was a very limited number of satellite tracking reports sent to the Secretariat during 1998. Three (3) reports from Norway were received by fax in hail format and included with hails transmitted to Canada and European Union. Approximately 200 reports were received from EU via X.25 connection in form of hail reports. All the reports were circulated to Canada and EU as hail reports. There were no extra costs for this.

Annex 4. Budget Estimate for 1999
(Canadian Dollars)

	Approved Budget for 1998	Projected Expenditures for 1998	Preliminary Budget Forecast for 1999	Budget Estimate for 1999
1. Personal Services				
a) Salaries	\$ 620,000	\$ 611,000	\$632,000	\$632,000 ^a
b) Superannuation and Annuities	84,000	75,000	65,000	77,000
c) Additional Help	1,000	1,000	1,000	1,000
d) Group Medical and Insurance Plans	47,000	44,000	48,000	47,000
e) Termination Benefits	22,500	18,000	21,000	23,000 ^b
f) Accrued Vacation Pay	1,000	1,000	1,000	1,000
g) Termination Benefits Liability	10,000	10,000	10,000	10,000
2. Travel	26,000	21,000	10,000	8,000 ^c
3. Transportation	1,000	1,000	1,000	1,000
4. Communications	61,000	62,000	62,000	63,000
5. Publications	27,000	27,000	27,000	27,000
6. Other Contractual Service	34,000	35,000	35,000	42,000 ^d
7. Materials and Supplies	30,000	30,000	32,000	30,000
8. Equipment	5,000	5,000	5,000	5,000
9. Meetings				
a) Annual Meeting and June Scientific Council Meeting	57,500	59,000	37,000	42,000 ^e
b) Inter-sessional Meetings	-	20,000	-	23,000 ^f
10. Computer Services	50,000	15,000	15,000	60,000 ^g
	\$1,077,000	\$1,035,000	\$1,002,000	\$1,092,000

^a Collective Bargaining with the Canadian Government is in progress with respect to Cost of Living Adjustments (COLA's). The budgeted 1998/99 COLA's will again be withheld until an agreement is finalized.

^b This figure is for 1999 credits and conforms with NAFO Staff Rule 10.4(a).

^c Travel costs for 1999 includes the Assistant Executive Secretary's attendance at the 18th Session of the CWP in Luxembourg, July 1999 and two persons to meeting of Directors and Executive Secretaries of the seven International Commissions located in North America re discussion of pension scheme for employees, April 1999, Ottawa, Canada.

^d This figure includes the costs for NAFO Computer Networking.

^e This figure includes the cost for Annual Meeting, September 1999, and the Scientific Council Meeting, June 1999, Halifax, N.S., Canada.

^f WG on Allocation of Fishing Rights and Chartering of Vessels; WG on Transparency in NAFO Activities and Decisions; Joint Scientific Council/Fisheries Commission WG on the Precautionary Approach; and WG on Dispute Settlement Procedures.

^g This figure includes \$5,000 for the Year 2000 upgrading for NAFO Computer system, \$5,000 for modernizing/enhancing the NAFO Website, and \$35,000 for automation of the hail system.

Annex 5. Preliminary Calculation of Billing for 1999

Preliminary calculation of billing for Contracting Parties against the proposed estimate of \$1,092,000 for the 1999 financial year (based on 17 Contracting Parties to NAFO) (Canadian Dollars)

Budget Estimate.....	\$1,092,000.00
Deduct: Amount from Accumulated Surplus Account.....	<u>162,862.00</u>
Funds required to meet 1999 Administrative Budget.....	<u>\$ 929,138.00</u>

60% of funds required = \$557,482.80
 30% of funds required = 278,741.40
 10% of funds required = 92,913.80

Contracting Parties	Nominal Catches for 1996	% of Total Catch in the Convention Area	% of Funds Required			Amount Billed
			10%	30%	60%	
Bulgaria	-	-	-	\$16,396.55	-	\$ 16,396.55
Canada ¹	403,833	53.01	\$53,991.42	16,396.55	\$295,521.63	365,909.60
Cuba	1,501	0.20	-	16,396.55	1,114.97	17,511.52
Denmark (Faroes and Greenland) ^{1,2}	100,461	13.19	13,431.37	16,396.55	73,531.98	103,359.90
Estonia	1,986	0.26	-	16,396.55	1,449.46	17,846.01
European Union ¹	22,867	3.00	-	16,396.55	16,724.48	33,121.03
France (St. Pierre et Miquelon)	43	0.01	5.75	16,396.55	55.75	16,458.05
Iceland	20,680	2.71	-	16,396.55	15,107.78	31,504.33
Japan	3,763	0.49	-	16,396.55	2,731.67	19,128.22
Republic of Korea	-	-	-	16,396.55	-	16,396.55
Latvia	1,253	0.16	-	16,396.55	891.97	17,288.52
Lithuania	1,585	0.21	-	16,396.55	1,070.71	17,567.26
Norway ¹	7,429	0.98	-	16,396.56	5,463.33	21,859.89
Poland	-	-	-	16,396.56	-	16,396.56
Romania	-	-	-	16,396.56	-	16,396.56
Russian Federation ¹	5,793	0.76	-	16,396.56	4,236.87	20,633.43
United States of America ¹	190,619	25.02	25,485.26	16,396.56	139,482.20	181,364.02
	761,813	100.00	\$92,913.80	\$278,741.40	\$557,482.80	<u>\$929,138.00</u>
Funds required to meet 1 January - 31 December 1999 Administrative Budget						<u>\$929,138.00</u>

¹ Provisional Statistics used when calculating 1996 nominal catches due to outstanding reports from some Contracting Parties.

² Faroe Islands = 11,878 metric tons
 Greenland = 88,583 metric tons

Annex 6. Travel and Meeting Costs Estimates for the NAFO Secretariat
 (STACFAD Working Paper 98/4-Revised)
 (Canadian Dollars)

Travel Costs Estimate for NAFO Secretariat

Meeting of FAO and Non-FAO Regional
 Fishery Bodies, 11-12 February 1999,
FAO Headquarters, Rome

	<u>Costs</u>	<u># of Staff</u>		<u>Total Cost</u>
Airfare	\$1,500			
Hotel	800			
Per Diem & Misc	<u>800</u>			
Total Travel Costs Estimate	<u>\$3,100</u>	x 1	=	<u>\$3,100</u>

Inter-sessional Meeting – Brussels

Airfare	\$1,500			
Hotel	1,000			
Per Diem & Misc	<u>700</u>			
Total Travel Costs Estimate	<u>\$3,200</u>	x 2	=	<u>\$6,400</u>

Inter-sessional Meeting – Copenhagen

Airfare	\$1,500			
Hotel	1,200			
Per Diem & Misc	<u>700</u>			
Total Travel Costs Estimate	<u>\$3,400</u>	x 2	=	<u>\$6,800</u>

Inter-sessional Meeting – Washington

Airfare	\$ 600			
Hotel	1,200			
Per Diem & Misc	<u>700</u>			
Total Travel Costs Estimate	<u>\$2,500</u>	x 2	=	<u>\$5,000</u>

Inter-sessional Meeting – Spain

Airfare	\$1,500			
Hotel	1,250			
Per Diem & Misc	<u>750</u>			
Total Travel Costs Estimate	<u>\$3,500</u>	x 2	=	<u>\$7,000</u>

Meeting Costs Estimate for NAFO SecretariatInter-sessional Meeting – NAFO Secretariat

Airfare	\$	0		
Hotel		0		
Per Diem & Misc		<u>0</u>		
Total Travel Costs Estimate	\$	<u>0</u>	=	<u>\$ 0</u>

Inter-sessional Meeting – Dartmouth Holiday Inn

Hotel Rental	\$3,500			
Equipment Rental	500			
Phone/Fax Lines	<u>500</u>			
Total Meeting Costs Estimate	<u>\$4,500</u>	=		<u>\$4,500</u>

Annex 7. Preliminary Budget Forecast for 2000
(Canadian Dollars)

1.	Personal Services	
	a) Salaries	\$ 644,000
	b) Superannuation and Annuities	50,000
	c) Additional Help	1,000
	d) Group Medical and Insurance Plans	48,000
	e) Termination Benefits	20,000 ^a
	f) Accrued Vacation Pay	1,000
	g) Termination Benefits Liability	10,000
2.	Travel	20,000 ^b
3.	Transportation	1,000
4.	Communications	64,000
5.	Publications	27,000
6.	Other Contractual Services	35,000
7.	Materials and Supplies	30,000
8.	Equipment	5,000
9.	Meetings	
	a) Annual Meeting and June Scientific Council Meeting	50,000 ^c
	b) Inter-sessional Meetings	20,000 ^d
10.	Computer Services	<u>15,000</u>
		<u>\$1,041,000</u>

^a This figure is for 2000 credits and conforms with NAFO Staff Rule 10.4(a).

^b Travel costs for 2000 include two persons to meeting of Directors and Executive Secretaries of the seven International Commissions located in North America re discussion of pension scheme for employees, April 1999; the Assistant Executive Secretary's attendance at the intersessional meeting of CWP; and the Executive Secretary's home leave to Russia.

^c This figure includes the cost for Annual Meeting, September 2000 in Boston, MA, USA and the Scientific Council Meeting, June 2000, in Halifax, N.S., Canada.

^d This figure is a contingency for possible inter-sessional meetings during the year 2000.

**Annex 8. Financial Requirements for Modernizing/Enhancing
the NAFO Website (GC Working Paper 98/8 – by Scientific Council)**

Background: In June 1997, the Scientific Council of NAFO endorsed the recommendation of STACPUB to establish a NAFO Website. The website was subsequently created in September 1997 and has since undergone some minor revision and enhancement.

Addressing the Customer: The NAFO Website should provide data and information reflecting the broad array of NAFO scientific and management activities and accomplishments. At a minimum, the Website should provide information on the most recent: (1) stock assessment results; (2) scientific recommendations/advice; and (3) agreed management measures (TACs). Data summaries should also be provided on recent environmental conditions in the NAFO area. In addition, NAFO symposium/meeting announcements and selected Scientific Council/Fisheries Commission/General Council reports should be available on the Website.

Technical requirements: To meet the above requirements, a modern designed Website with hyperlinks to other sources of information is necessary. The Website should have links to the NOAA or BIO servers [which furnish information on daily environmental conditions in the NAFO area] and to MEDS and other international scientific and management organizations like ICES, PICES, CCAMLR, etc. Internal links should also exist to the scientific results from previous Scientific Council and Annual Meetings (e.g. abstracts and figures of selected reports and documents).

Financial requirements: Modernization of the NAFO Website will require about 200 hours of specialists work during the first year. Once the Website has been modernized, the annual amount of workload might be reduced to 100 hours per year. Both the enhancement and maintenance of the Website can be accomplished by qualified computer consultant, which offer their services at about 80\$CDN/hour. **For this work , the Scientific Council therefore requests that NAFO allocate 16000\$CDN for 1999 for modernization, and 8000\$CDN annually thereafter for the maintenance of the NAFO Website.**

PART III

Report of the Standing Committee on Fishing Activities of Non-Contracting Parties in the Regulatory Area (STACFAC)

1. Opening by the Chairman, J-P. Plé (USA)

The meeting was called to order by the Chairman, J-P. Plé (USA) at 1415 hrs on 14 September 1998. The following Contracting Parties were present: Canada, Denmark (in respect of the Faroe Islands and Greenland), European Union (EU), France (in respect of St. Pierre et Miquelon), Iceland, Japan, Norway, Russia and the United States of America (USA) (Annex 1).

2. Appointment of Rapporteur

P. Heller (EU) was appointed rapporteur.

3. Adoption of Agenda

The agenda was adopted (Annex 2).

4. Review of 1998 information on activities of Non-Contracting Party Vessels in the Regulatory Area

Canada presented a paper (STACFAC WP 98/3) on the activities of Non-Contracting Party (NCP) vessels in the NAFO Regulatory Area (NRA) from 1 January to 31 August 1998. The paper indicated that four vessels, the "Austral", the "High Sierra", the Porto Santo" and the "Santa Princesa", all registered in Sierra Leone, were sighted fishing in the NAFO Regulatory Area during the period 1 January to 31 March 1998.

None of the NCP vessels indicated above were boarded during 1998. However, total catches from these vessels are estimated to be 350 tons and are believed to consist mainly of cod and redfish. All information on NCP activity for 1998 regarding vessel registry and crew nationality are based on the latest information available and may be different at present. It was also noted that, thus far, there had been a decrease in the total number of NCP vessels sighted fishing in the NRA compared to the five NCP vessels sighted during 1997.

Several Contracting Parties asked whether the observed decrease in NCP presence is due to the adoption of the "NAFO Scheme to Promote Compliance by Non-Contracting Party Vessels with the Conservation and Enforcement Measures Established by NAFO", or to the general depletion of the stocks. The general view was that both the adoption of the Scheme and poor fishing conditions contributed to the observed decrease in NCP fishing in the NRA.

The Committee noted that a scheme similar to the NAFO Scheme was adopted by the members of the Commission for the Conservation of Antarctic Living Marine Resources (CCALMR) in October 1997 and that a scheme similar to the NAFO Scheme is also being considered by the members of the North-East Atlantic Fisheries Commission.

The EU emphasized the apparent success of the NAFO Scheme in relation to NCP activities, but warned that such activities have now moved to other areas; to areas either without regional fishery organizations or where such organizations not yet have implemented such a scheme. In this

respect, the EU asked for an increase in inter-regional cooperation with established organizations, as well as with organizations currently being negotiated.

Iceland reported sightings of many NCP vessels in the North-East Atlantic Fisheries Commission Area and Norway noted the presence of the same four vessels, mentioned earlier, in the Barents Sea "Loophole" during 1998.

5. Review of 1998 information on landings and transshipments of fish caught by Non-Contracting Party vessels in the Regulatory Area

Among those Contracting Parties present, none reported that local authorities were aware of landings and transshipments of fish caught by NCP vessels sighted fishing in the NRA in their respective ports.

6. Review of information on imports of species regulated by NAFO from Non-Contracting Parties whose vessels have fished in the Regulatory Area

No new information was presented.

7. Reports by Contracting Parties on diplomatic contacts with Non-Contracting Party Governments concerning fishing in the Regulatory Area

In accordance with last year's General Council decision, diplomatic demarches were delivered to the non-Contracting Party Governments whose vessels fished in the Regulatory Area in 1997 or in previous years. Canada delivered such demarches to Honduras and Panama; the USA to Sierra Leone and Belize. Canada and the USA reported that they had so far received no formal responses to the demarches. However, Canada noted that it had received a report that the vessel "Danica", a vessel previously sighted fishing in the NRA, has been de-registered by Honduras.

8. Review of the performance of the Scheme to Promote Compliance by Non-Contracting Party Vessels with the Conservation and Enforcement Measures Established by NAFO

As 1998 marks the first full year of the Scheme, the first report of the Executive Secretary, as called for by paragraph 14 of the Scheme, will be prepared by 1 April 1999. The Committee reviewed GC Doc. 98/1, which provided preliminary information on the implementation of the Scheme by Contracting Parties. The document included reports from Canada, Lithuania, Norway and USA.

The Chair asked Contracting Parties on their national implementation of the NAFO Scheme. The following information was provided by Contracting Parties:

- EU: Implementation is underway in the framework of a general revision of EU control legislation; the implementation will be in place before the end of 1998.
- Iceland: National legislation enacted in January 1997 includes the measures of the NAFO Scheme; foreign landings in Icelandic ports will always be inspected.
- France (on behalf of St. Pierre et Miquelon): Implementation is under way and will be completed in the near future.

- Japan: General legislation on landings by foreign fishing vessels cover the measures in the NAFO Scheme.
- USA: Under previously enacted legislation, foreign fishing vessels are generally prohibited from entering U.S. ports.
- Denmark (in respect of the Faroe Islands and Greenland): Legislation is in place; administrative procedures are under way.

The representative of the USA presented a paper (STACFAC WP 98/1) on provisions for possible inclusion in the NAFO Conservation and Enforcement Measures to enhance the Scheme. The paper proposed to include the Scheme's prohibition to receive transshipments from sighted NCP vessels and the sharing/distribution of information of sightings of NCP fishing activities in the NRA.

Norway pointed out that the proposed textual amendments did not ensure an entire consistency between the two schemes, but found otherwise the proposal to be useful. Several other delegations supported the objectives put forward in the Working Paper. Japan noted that it has legal difficulties implementing the proposed measure to regulate transshipments from NCP vessels to Japanese transport vessels.

(Note: STACFAC WP 98/1, Revision 1, was presented to the General Council on September 15th for referral to the Fisheries Commission. The document noted the importance to ensure consistency of Conservation and Enforcement Measures with the Scheme. The General Council referred this item to the Fisheries Commission for appropriate action.)

9. Report and Recommendations to the General Council

The STACFAC recommends to the General Council that:

1. it refer STACFAC WP 98/1, Revision 1, to the Fisheries Commission for discussion and appropriate action;
2. demarches, in the form of letters signed by the President of NAFO, be made to the flag-States of NCP vessels which were sighted fishing in the NRA in 1998 or in previous years, in an effort to discourage vessels from these countries from fishing in the NRA (Annexes 3, 4, 5 and 6);
3. NAFO seek closer inter-regional cooperation with other regional fisheries organizations with the aim to share information and to promote respect for relevant conservation measures by NCP vessels;
4. it bring to the attention of all Contracting Parties the names of the four NCP fishing vessels sighted fishing in the NRA during 1998 with the view that this information be shared with appropriate port authorities.

10. Election of Chairman and Vice-Chairman

Dr. Jean-Pierre Plé (USA) was re-elected as Chairman.

Mr. Daniel Silvestre (France) (in respect of St. Pierre and Miquelon) was elected as Vice-Chairman.

11. Other Matters

No other matters were raised.

12. Adjournment

The formal session of STACFAC adjourned at 12:30 hours, Wednesday, 16 September 1998.

Annex 1. List of Participants

<u>Name of Participant</u>	<u>Contracting Party</u>
N. Bouffard	Canada
E. Lemche H. Fischer	Denmark (in respect of Faroe Islands and Greenland)
P. Heller	European Union
F. Wieland	" "
R. Akesson	" "
S. Whitehead	" "
I. Ybahez	" "
M. Folque	" "
L. Heredia	" "
D. Silvestre	France (in respect of St.Pierre et Miquelon)
K. Skarphedinsson	Iceland
H. Inomata	Japan
I. L. Opdahl	Norway
S. Owe	"
V. Dvorynkov	Russia
G. Gusev	"
G. Martin	United States of America
J.-P. Plé	" " "

Annex 2. Agenda

1. Opening by Chairman, J.-P. Plé (USA)
2. Appointment of Rapporteur
3. Adoption of Agenda
4. Review of 1998 information on activities of non-Contracting Party vessels in the Regulatory Area
5. Review of 1998 information on landings and transshipments of fish caught by non-Contracting Party vessels in the Regulatory Area
6. Review of information on imports of species regulated by NAFO from non-Contracting Parties whose vessels have fished in the Regulatory Area
7. Reports by Contracting Parties on diplomatic contacts with non-Contracting Party Governments concerning fishing in the Regulatory Area
8. Review of the performance of the NAFO Scheme to deal with non-Contracting Parties fishing in the NAFO Regulatory Area
9. Report and Recommendations to the General Council
10. Election of Chairman and Vice-Chairman
11. Other Matters
12. Adjournment

Annex 3. Proposed letter to the Government of Sierra Leone

The Honourable
Secretary of State
Sierra Leone

Dear Mr. Minister:

Further to my letter of September 1997, I have been instructed by all members of the Northwest Atlantic Fisheries Organization (NAFO) present at its 20th Annual Meeting to raise again at the highest level their concern about the continued fishing activity by vessels flying your flag in the NAFO Regulatory Area.

The Contracting Parties are deeply concerned that Non-Contracting Parties permitting vessels flying their flags to fish in the NAFO Regulatory Area do not comply with their obligations to cooperate in conservation and management and that such vessels have continued to be present in the NAFO Regulatory Area fishing on resources which are at historically depleted and critical levels. The "Austral", the "High Sierra", the Porto Santo" and the "Santa Princesa", all registered in Sierra Leone, were again observed fishing in the area to the severe detriment of critical resources.

NAFO again urges the Government of Sierra Leone to withdraw its vessels forthwith and to take effective measures to prevent their return to the Regulatory Area. There is real urgency for the immediate withdrawal of these vessels given the critical state of many of the NAFO-managed fish stocks. The Government of Sierra Leone should take note that the only Non-Contracting Party fishing vessels observed fishing in the NAFO Regulatory Area during 1997, and thus far in 1998, were registered in Sierra Leone.

The Contracting Parties to NAFO have collectively and individually taken diplomatic initiatives to urge States which do not cooperate with NAFO to withdraw their vessels from the Regulatory Area. Several States have already complied.

The Contracting Parties to NAFO again draw the attention of the Government of Sierra Leone to the FAO's Compliance Agreement, adopted at the November 1993 meeting of the FAO Council, and the Agreement for the Conservation and Management of Straddling Fish Stocks and Highly Migratory Fish Stocks, adopted at the August 1995 session of the United Nations Conference on Straddling Fish Stocks and Highly Migratory Fish Stocks. These Agreements establish the general principles for the regulation of high seas fishing by flag-States and the conservation and management of straddling fish stocks and highly migratory fish stocks, and provide a suitable basis on which the Government of Sierra Leone could prevent its vessel from fishing in the NAFO Regulatory Area, undermining the conservation measures applied by NAFO Contracting Parties.

The Contracting Parties also draw attention of the Government of Sierra Leone to the Scheme to Promote Compliance by Non-Contracting Party Vessels with the Conservation and Enforcement Measures Established by NAFO, which was adopted by the Contracting Parties to NAFO in 1997, and which calls for measures to be taken against Non-Contracting Party vessels sighted fishing in the NAFO Regulatory Area. A copy of the Scheme is attached.

On behalf of the Contracting Parties to NAFO present at its 20th Annual Meeting: Canada, Cuba, Denmark (in respect of the Faroe Islands and Greenland), Estonia, European Union, France (in respect of St. Pierre and Miquelon), Iceland, Japan, Republic of Korea, Latvia, Lithuania, Norway, Poland, the Russian Federation and the United States of America.

(DATE)

A. Rodin
President and
Chairman of General Council

Annex 4. Proposed letter to the Government of Belize

The Honourable
Minister of Foreign Affairs
Belize

Dear Mr. Minister:

I have been instructed by all members of the Northwest Atlantic Fisheries Organization (NAFO) present at its 20th Annual Meeting to express concern that they have not received a reply to my letter of September 1997, regarding fishing activity by vessels flying your flag in the NAFO Regulatory Area in previous years.

Although the NAFO Contracting Parties are encouraged that vessels registered in Belize have thus far not been observed fishing in the area during 1998, they request that you respond to my earlier letter and urge the Government of Belize to prevent the return of its vessels to the Regulatory Area.

On behalf of the Contracting Parties to NAFO present at its 20th Annual Meeting: Canada, Cuba, Denmark (in respect of the Faroe Islands and Greenland), Estonia, European Union, France (in respect of St. Pierre and Miquelon), Iceland, Japan, Republic of Korea, Latvia, Lithuania, Norway, Poland, the Russian Federation and the United States of America.

(DATE)

A. Rodin
President and
Chairman of General Council

Annex 5. Proposed letter to the Government of Honduras

The Honourable
Minister of External Relations
Honduras

Dear Mr. Minister:

I have been instructed by all members of the Northwest Atlantic Fisheries Organization (NAFO) present at its 20th Annual Meeting to raise with you certain matters regarding fishing activity by vessels flying your flag in the NAFO Regulatory Area in previous years.

The NAFO Contracting Parties are encouraged to have learned that the fishing vessel "Danica", previously observed fishing in the NAFO Regulatory Area, while flying the flag of Honduras, is no longer registered in Honduras. The NAFO Contracting Parties welcome this action and requests to know the disposition of the vessel following its loss of Honduran registry.

Although the NAFO Contracting Parties are also encouraged that vessels registered in Honduras have thus far not been observed fishing in the area during 1998, they request that you respond to my letter of September 1997 regarding fishing activity by vessels flying your flag in the area in previous years and urge the Government of Honduras to prevent the return of its vessels to the Regulatory Area.

On behalf of the Contracting Parties to NAFO present at its 20th Annual Meeting: Canada, Cuba, Denmark (in respect of the Faroe Islands and Greenland), Estonia, European Union, France (in respect of St. Pierre and Miquelon), Iceland, Japan, Republic of Korea, Latvia, Lithuania, Norway, Poland, the Russian Federation and the United States of America.

(DATE)

A. Rodin
President and
Chairman of General Council

Annex 6. Proposed letter to the Government of Panama

The Honourable
title
Panama

Dear Mr. Minister:

I have been instructed by all members of the Northwest Atlantic Fisheries Organization (NAFO) present at its 20th Annual Meeting to express concern that they have not received a reply to my letter of September 1997, regarding fishing activity by vessels flying your flag in the NAFO Regulatory Area in previous years.

Although the NAFO Contracting Parties are encouraged that vessels registered in Panama have thus far not been observed fishing in the area during 1998, they request that you respond to my earlier letter and urge the Government of Panama to prevent the return of its vessels to the Regulatory Area.

On behalf of the Contracting Parties to NAFO present at its 20th Annual Meeting: Canada, Cuba, Denmark (in respect of the Faroe Islands and Greenland), Estonia, European Union, France (in respect of St. Pierre and Miquelon), Iceland, Japan, Republic of Korea, Latvia, Lithuania, Norway, Poland, the Russian Federation and the United States of America.

(DATE)

A. Rodin
President and
Chairman of General Council

PART IV

Report of the Working Group on Dispute Settlement Procedures (DSP)

1. Opening by the Chairman

The Chairman, Mr. Stein Owe (Norway), who welcomed all the delegates, opened the meeting at 1020 hrs on 14 September 1998. The following Contracting Parties were represented at the meeting: Canada, Denmark (in respect of the Faroe Islands and Greenland), European Union, France (in respect of St-Pierre et Miquelon), Iceland, Japan, Latvia, Lithuania, Norway, Russian Federation and the United States of America (Annex 1).

2. Appointment of Rapporteur

Mr. Andrew Thomson (EU) was appointed as the rapporteur.

3. Adoption of Agenda

The agenda consisted of one item, namely the presentation of the Chairman's Paper (GC Working Group (DSP) Working Paper 98/3 – Annex 2).

4. Review of the Chairman's Paper

The Chairman of the Working Group, Mr. Owe, introduced his paper. The structure of the Chairman's Paper followed the lines of the EU paper (GC Working Group (DSP) Working Paper 98/1 as introduced at the Working Group's meeting in April 1998), but with additions which he considered relevant in the light of earlier discussions. The Chairman proceeded to explain his paper paragraph by paragraph after which he gave the Contracting Parties the opportunity to ask questions and make comments.

The Chairman was congratulated on his efforts. Parties felt that the paper could serve as a good basis for the further work of the Working Group. In a productive round of clarification and comment, a number of questions were touched upon, which are summarised as follows:

- Should the 1995 UN Agreement rather than the UN Convention on the Law of the Sea (UNCLOS) be taken in the first instance as the basis for the NAFO Dispute Settlement Procedure (DSP)? Parties had different views on this point.
- On the declaration of intent proposed in the new paragraph 4 to Article XII, concern was expressed that this might be construed as a limitation on the right to object. Such a requirement could also shift disputes from issues of substance to questions of a more formal nature.

Some delegations stressed the need for such a declaration of intent. It was important to be able to determine whether the intended post-objection behaviour gives rise to a dispute.

It was clarified that the wording of this new paragraph is designed to cover intentions as to the possible follow up of any objection or notice of intent not to be bound, regardless of the subject of the relevant proposal or measure.

- The Parties noted that the 1995 UN Agreement as well as UNCLOS would apply "*mutatis mutandis*".

- By-catches were pointed out as a potentially complicating factor if disputes regarding straddling stocks and discrete stocks are not governed by the same rules. However, it was the view of some delegations that such situations could be handled within the framework of the present proposal.
- Attention was drawn to the fact that under the present wording of the proposal, the ad hoc panel does not have to make a recommendation. This could create problems for the proper functioning of the scheme.

On the other hand, it was stressed that situations could arise where it would not be possible for the panel to make a recommendation. Similar wording is found in other relevant texts.
- The issue of provisional measures and related matters, including the question of the binding nature of provisional measures recommended by the *ad hoc* panel, was raised.
- If the Chairman of the General Council is required to choose the third member of the ad hoc panel (where the Parties to the dispute are unable to reach an agreement), a special solution is needed where the Chairman is a national of one of the Parties to the dispute.
- Additional to these comments, editorial and linguistic comments were made.

These preliminary reactions to the Chairman's Paper clearly show the need for further analysis and deliberation in the Working Group.

5. Conclusions

The Working Group agreed to recommend to the General Council that the group should be authorised to continue its work and to meet inter-sessionally before the next NAFO Annual Meeting in September 1999.

Annex 1. List of Participants

<u>Contracting Party</u>	<u>Participants</u>
Canada	R. Rochon N. Bouffard D. Caron
Denmark (in respect of Faroe Islands and Greenland)	E. Lemche J. H. Toftum C. Benner
European Union	O. Tougaard F. Wieland A. Thomson I. Ybanez R. Akesson S. Feldthaus S. Whitehead E. Monteiro M. H. Figueiredo M. Folque V. M. Fernandes C. R. Gomes
France (in respect of St. Pierre et Miquelon)	D. Silvestre
Japan	H. Isobe
Latvia	N. Riekstins
Lithuania	R. Survila A. Rusakevicius
Norway	S. Owe T. Lobach I. L. Opdahl
Russian Federation	G. V. Goussev
United States of America	G. S. Martin J.-P. Plé D. E. Swanson

Annex 2. Chairman's Paper
(DSP Working Group W.P. 98/3)

Settlement of disputes within NAFO – Proposal for amendments to the NAFO Convention

New Paragraph 4 of Article XII (existing Paragraph 4 to be renumbered Paragraph 5)

4. An objection according to paragraph 1 or a notice of intention not to be bound by a measure according to paragraph 3 shall be accompanied by a declaration of the Commission member's intentions as to relevant fishing operations or control and enforcement measures. The declaration of intentions shall specify any autonomous measures to be established.

Article...

1. Contracting Parties shall cooperate in order to prevent disputes.
2. The provisions relating to the settlement of disputes set out in Part XV of the United Nations Convention on the Law of the Sea of 10 December 1982 (hereafter referred to as the "1982 UN Convention") shall apply mutatis mutandis to any dispute between Contracting Parties concerning the interpretation or application of this Convention.

Nevertheless, where a dispute between Contracting Parties concerns one or more straddling fish stocks, Part VIII of the United Nations Agreement for the Implementation of the Provisions of the United Nations Convention on the Law of the Sea of 10 December 1982 relating to the Conservation and Management of Straddling Fish Stocks and Highly Migratory Fish Stocks of 4 August 1995 (hereafter referred to as the "1995 UN Agreement") shall apply.

The relevant parts of the 1982 UN Convention or the 1995 UN Agreement shall apply whether or not the Contracting Parties are also Parties to these instruments.

3. Without prejudice to paragraph 2, any dispute concerning the interpretation or application of a proposal adopted by the Commission pursuant to Article XI of this Convention, or a matter related hereto, shall first be submitted to an ad hoc panel constituted as provided in Annex... to this Convention at the request of a Contracting Party.

The panel shall confer with the Contracting Parties concerned and shall endeavour to resolve the dispute expeditiously without recourse to binding procedures for the settlement of disputes. To this end, the panel may make recommendations which it considers appropriate to preserve the respective rights of the Contracting Parties concerned and to prevent damage to the fish stocks in question.

Any dispute of this character not so resolved shall, if one of the Contracting Parties concerned so requests, be referred to binding procedures for the settlement of disputes as provided in paragraph 2.

4. When ad hoc panel procedures are requested the Contracting Parties concerned shall apply the relevant proposal adopted by the Commission until such procedures have been terminated.

Pending the binding settlement of a dispute referred to in paragraph 3, the parties to the dispute shall apply provisionally any recommendation made by a panel, unless they otherwise agree on arrangements of equivalent effect or one of the parties concerned requests the court or tribunal to which the dispute has been submitted in accordance with paragraph 2 to prescribe any appropriate provisional measure. Recommendations made by a panel shall be applied until such provisional measures are in effect.

5. Any court, tribunal or panel to which a dispute has been submitted under this Article shall apply the relevant provisions of this Convention, of the 1982 UN Convention and, as appropriate, of the 1995 UN Agreement, as well as generally accepted standards for the conservation and management of living marine resources and other rules of international law not incompatible with the 1982 UN Convention, with a view to ensuring the conservation of the fish stocks concerned.

Annex...to the Convention – Panel referred to in paragraph 3 of Article...

1. The Executive Secretary shall establish and maintain a list of experts who are willing and able to serve as panelists. Each Contracting Party shall be entitled to nominate up to five experts whose competence in the legal, scientific or technical aspects of fisheries covered by this Convention is established. The nominating Party shall provide information on relevant qualifications and experience of each of its nominees. The nominees may be nationals of any Contracting Party.
2. A Contracting Party may request, by written notification addressed to the Chairman of the General Council, the establishment of a panel referred to in paragraph 3 of Article... . The notification shall be accompanied by a statement of the claim and the grounds on which it is based. The Chairman of the General Council shall promptly transmit a copy of the request, through the Executive Secretary, to each Contracting Party.
3. The panel shall consist of three members, unless the Parties to the dispute otherwise agree. Within () days of the date of the transmission of the request to the Contracting Parties, the Party instituting proceedings and the other Party shall each select one panelist. Both Parties shall, within a period of () days following the selection of the second panelist, agree on the selection of the third panelist, who shall not be a national of either Party and shall not be of the same nationality as either of the first two panelists. The third panelist shall chair the panel.

If the Parties have not reached agreement within the prescribed period on the selection of the third panelist, that panelist shall be selected from the list, at the request of either Party and within () days of the notification of this request, by the Chairman of the General Council, unless the Parties agree on any other means of selection of the third panelist.

4. Where more than one Contracting Party request the establishment of a panel related to the same subject-matter, a single panel shall be established. In disputes between more than two Contracting Parties, Parties of the same interest shall select one panelist jointly by agreement.
5. Any Contracting Party which is not a Party to the dispute may attend all hearings of the panel, make written and oral submissions to the panel and receive the submissions of each Party to the dispute.

6. On request of a Party to the dispute, or on its own initiative, the panel may seek information and technical advice from any person or body that it deems appropriate, provided that the parties to the dispute so agree.
7. Unless the Parties to the dispute otherwise agree, the panel shall, within () days of hearing the case, make its recommendation referred to in paragraph 3 of Article... . The recommendation shall be confined to the subject-matter of the dispute and state the reasons on which it is based. Reasons in writing shall be communicated to the Chairman of the General Council, through the Executive Secretary, within () days of the recommendation.
8. The recommendation of the panel shall be made by a majority of its members, who may not abstain from voting.
9. The General Council shall establish the rules of procedure, ensuring that each Party to the dispute shall be given full opportunity to be heard and to present its case. The panel may adopt such additional rules of procedure as it deems necessary.
10. The rules regarding expenses and the level of fees for panelists shall be established by the General Council.